Daily Report

Latin America

FBIS-LAT-91-061
Friday
29 March 1991

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FBIS-LAT-91-061 *29 March 1991*

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Comparison of Text of Mercosur Treaty

PY2803150691

Asuncion PATRIA in Spanish on 27 March publishes on page 1 the text of the treaty establishing the Common Market of the South, Mercosur. The treaty was signed by the presidents of Brazil, Argentina, Paraguay, and Uruguay in Asuncion on 26 March. This version has been compared with the ABC COLOR version published in the 25 March Latin America DAILY REPORT, page 2, revealing the following variations:

Page 2, column one, paragraph one, only sentence reads: Treaty for the creation of a common market between the Argentine Republic, the Federative Republic of Brazil, the Republic of Paraguay, and the Oriental Republic of Uruguay. (omitting the word "project")

Same page, same column, paragraph twelve, subhead reads: Purposes, Principles, Instruments (rewording)

Page 4, column one, twelfth full paragraph, sentence one reads: The term of this treaty will be indefinite, and it will come into effect 30 days after the third ratification instrument is signed. (changing time period)

Same page, column two, paragraph eight, subhead reads: Article 23: [new paragraph]

This treaty will be called "Treaty of Asuncion." [new paragraph]

Chapter VI [new paragraph]

General Dispositions [new paragraph]

Article 24: [new paragraph]

A Mercosur Joint Legislative Commission will be created in order to help in the creation of the common market. (moving Article 23 from Chapter VI to Chapter V and adding opening sentence in Article 24)

Same page, same column, end of item reads: For the Government of the Argentine Republic: Carlos Saul Menem and Guido di Tella; for the Government of the Federative Republic of Brazil: Fernando Collor and Francisco Rezek; for the Government of the Republic of Paraguay: Andres Rodriguez and Alexis Frutos Vaesken; for the Government of the Oriental Republic of Uruguay: Luis Alberto Lacalle Herrera and Hector Gros Espiell. (adding last paragraph)

Cuba

Joint Cuban-Guyanese Commission To Meet

FL2803161091 Havana Tele Rebelde Network in Spanish 1200 GMT 28 Mar 91

[Text] Sources in Georgetown have reported that the 16th meeting of the Joint Cuba-Guyana Commission will be held in this city during the second week of April. The members of the commission will discuss bilateral economic cooperation and existing trade agreements between the two countries. The Guyanese delegation will be headed by Trade and Tourism director Winston Murray [title as heard], the Cuban delegation by Ernesto Melendez, minister president of the State Committee for Economic Cooperation.

16th Latin American Baptist Youth Meeting Starts

FL2803122891 Havana Tele Rebelde Network in Spanish 1800 GMT 27 Mar 91

[Report by Maribel Puerto from 16th International Meeting of Baptist Youth at the EL Calvario Baptist Temple in Havana; date not given—recorded]

[Text] [Puerto] Baptist Conventions in Cuba are widely represented in the event. Also present are some 99 foreign visitors from Mexico, the United States, Nicaragua, Ecuador, Dominican Republic, Costa Rica, Puerto Rico, El Salvador, Guatemala, Colombia, and Honduras. Youths from other evangelical congregations of Cuba are also present as special guests.

[Eliecer Veguilla Sanchez, president of the Western Baptist Youth Department, identified by caption] We have been preparing for this event for two years. We have received the support of many people and many state organizations, especially the Religious Affairs Department of the Communist Party of Cuba Central Committee. The cooperation received from our brothers in the faith and from many deeply involved young people and adults has been tremendous. We can already tell that it is going to be a great success.

[Puerto] Have you received confirmation of the presence of representatives from every country that was invited?

[Veguilla] Yes, the ones from Costa Rica are not here yet but all the other countries are represented. The numbers are encouraging. Mexico, particularly, has brought a very beautiful delegation. They have an incredible missionary spirit. Other delegations are small due to economic constraints, but we know that many wish they could have the opportunity to be here and share the privilege of spending time with the Cuban Baptist youths, the Cuban Christian youths. They all are very enthusiastic. They are young people who study, who work, young people involved with the Cuban people, not young people locked up in an ivory tower.

[Puerto] Aside from the activities [words indistinct] of the 16th International Meeting of Baptist Youths, the program includes visits to social and historic sites in our country, ExpoCuba and the historic area of Havana, among them. In the evening, after the religious services, conferees will participate in cultural activities representing each country. The closing ceremonies are scheduled for next Sunday.

Antigua and Barbuda

Rebel ALP Members Undecided on Political Future

FL2803183091 Bridgetown CANA in English 1738 GMT 28 Mar 91

[Text] St. John's, Antigua, March 28, CANA—Rebel members of the ruling Antigua Labour Party [ALP], apparently undecided about a challenge for the ALP leadership, are setting up a committee to chart their political future.

"We will be mobilizing next Tuesday following the holiday weekend. We are setting up a committee to determine the way forward," ex-Deputy Prime Minister Lester Bird said. Bird and cabinet colleagues Hugh Marshall and Hendy Simon resigned last week over differences with Prime Minister Vere Bird Sr. The three and former Finance Minister John St. Luce had also signed a letter urging the prime minister to step down, making way for Lester Bird, after a controversial budget address on March 7.

Bird Sr. responded to the call with a cabinet re-shuffle, dropping his son as deputy prime minister and shifting him from foreign affairs to the Finance Ministry. Other ministerial portfolios were re-assigned.

The former deputy prime minister said he is undecided whether he will challenge for the ALP leadership. There is speculation here that Adolphus Freeland, minister of health and labour, and Rodney Williams, minister of economic development, will seek ALP leadership at a convention later this year.

"There are other aspirants to the throne," the former deputy prime minister told CANA Wednesday, adding: "I have not made up my mind fully as yet.... that will be decided in conjuction with my colleagues."

Commenting on his involvement in an anti-government demonstration last Saturday, he said he and Marshall were pulled into the march as "clearly, I would not have wanted to go into a demonstration with placards criticising me."

"I had made my position clear before the march. Those who want to use it to advance their arguments against me, they will do that. Some people will use it to sidetrack from the issues which the party needs to address," the former foreign minister said. One government source said he believed disciplinary action should be taken against Bird and Marshall for taking part in the demonstration, but Bird rejected this as an example of "double standards."

He said he was not a cabinet member at the time of the demonstration and recalled the decision of Education Minister Reuben Harris last year to take part in a demonstration against gambling, prostitution, and illegal drugs while a member of cabinet.

Bird said he still remains a member and chairman of the ALP but there are things which need restructuring. He said if the prime minister took certain remedial action "it will at least give people the sense that we are trying to restore Antigua's good name."

Haiti

Tourism Office Employees Dismissed Without Notice

FL2903023491 Port-au-Prince Radio Nationale in Creole 1400 GMT 28 Mar 91

[Excerpts] [Begin recording] [Reporter Roland Chery] [passage omitted] It was in an atmosphere of emotion, and with many questions from all the ONT [National Tourism Office] employees who came to work today that the commerce and industry minister, Mr. Smarck Michel, proceeded to close the ONT office where 161 people were employed.

After they had signed (?away their jobs), each of these employees received a letter explaining that they had been dismissed from this office, which had never done any work, according to the minister. We present you with an excerpt of the atmosphere which reigned in the reception room while the employees were receiving their dismissal letters. [sound of many people speaking at once] [passage omitted]

[First unidentified speaker] Tell me, when was the last time you saw a tourist in the streets?

[Second unidentified speaker] The last time? I do not know.

[First speaker] Well, right, the tourism.... [changes thought] There is no more ONT. We are going to remake it. We are closing it completely.

[Second speaker] You are closing it completely? Then what about us? What will we do?

[First speaker] Like you, there are 1 and a half million people in the streets who are not working, and to whom I must give jobs.

[Second speaker] Then I am going to increase the number?

[First speaker] You will get a job too, among the jobs to be given, but not at the ONT. [passage omitted]

[Reporter Chery] The commerce minister, Smarck Michel, explained this sudden measure in an interview.

[Minister Michel] I do not think I have to explain to anybody that there has been almost no reason for a tourism office for five years because there are no tourists. The country has been turned upside down for five years, more than it ever was before, and I have noticed that it was during these five years that more people had been hired at the ministry [correcting himself] at the office.

The office has no reason for existing. [passage omitted]

This is why we are obliged to close the office for restructuring. It is now closed completely. There will be a sub-branch, a few people within the Commerce Ministry, who will deal with the day-to-day matters. In the tourist program of the government—a program that will be completely rethought so that we can bring tourists back to the country—all kinds of tourists will come by plane, by boat. At that time we will have a tourism office that will correspond progressively to the the influx of tourists. [passage omitted] [end recording]

Rights Advocates Support Prison Improvements

FL2903014291 Port-au-Prince Radio Metropole in French 1700 GMT 27 March 91

[Excerpts] Two human rights advocates, Jean-Jacques Honorat and Jean-Claude Bajeux, rejoice over the penitentiary reforms made by the minister of justice, lawyer Bayard Vincent, and express hope that other important decisions will be made to supplement the first ones and to regularize the situation in the detention centers in Haiti. Reporter Jean-Max Blanc met with them.

[Begin recording] [Blanc] Human rights advocates in the capital applaud the decisions made by the government on Friday 22 March, when it announced that it would buy at a monthly sum for prisoners' food. They [the advocates] recognize, however, that many changes must take place inside the prisons, and at the judicial level. Among their considerations, the advocates let it be known that some penitentiary centers, such as the National Penitentiary, which houses a thousand [as heard] citizens, was in reality, according to them, built to accommodate only 200 prisoners during a time when there were only about 140,000 to 150,000 inhabitants of Port-au-Prince.

Jean-Jacques Honorat, who is head of the Haitian Center for the Defense of Public Freedom, advised in his interview that to the Haitian point of view, imprisonment in Haiti means letting people die. Prisoners receive no respect, according to the advocates.

Honorat takes the question further by asserting that the problems in the prisons are global, and must be studied in their complex entirety. The food the prisoners will be receiving is a positive measure, according to the advocates, but it is more than time for those in charge to consider the prisoners as human beings. [passage omitted].

Jean-Claude Bajeux, head of the Ecumenical Center for Human Rights, considers the [recent] government decisions to be the beginning of a reform that will soon need to be reviewed by Parliament. According to Mr. Bajeux,

penitentiary management should be separate from military management. He added that while waiting for order to be established in the prisons, authorities should urge the population to sympathize with the prisoners.

The head of the Ecumenical Center of Human Rights recalled the time before Francois Duvalier when pastors, priests, and other citizens used to visit the prisons every Sunday to bring clothes and other assistance to the inmates. They recognize, however, that besides the food problem, the prisoners are facing other problems. Jean-Claude Bajeux stresses the matter of justice which, according to him, is very serious, because the prisoners must purchase justice. [passage omitted]

On Friday 22 March, in a meeting with various authorities of the country, the minister of justice admitted the necessity of prisoners receiving better treatment. On that day, lawyer Vincent went deep into his thoughts, comparing the largest penitentiary center of Haiti with other centers with bad reputations, in other countries. He stated that the center in Cincinnati, in the United States, which lost its trial [as heard] because of a bad reputation, would represent a giant step for Haiti.

On the same day, the minister of justice announced that the government would spend $10,000 for the prisoners' food, and that UNESCO and the Red Cross would soon be donating beds to the government to improve the living conditions of the citizens in prison. [end recording]

Benoit of Conacom Launches Debate on Socialism

FL2903001191 Port-au-Prince Radio Nationale in Creole 1400 GMT 28 Mar 91

[Report on news conference by Victor Benoit, leader of Conacom (the National Congress of Democratic Movements), by correspondent Jean-Marie Benoit at the Port-au-Prince Holiday Inn on 27 March—recorded]

[Excerpts] [passage omitted] The Constitution, our country's fundamental law, was written four years ago, on 29 March 1987. Reflecting today from a state of order, many observers believe that in view of the Constitution, Haiti can become either a socially fair society, or it could become a modern socialist state. This is the opinion expressed by Professor Victor Benoit, leader of Conacom, at the conclusion of a debate on socialism and our constitution in which he participated today at the Holiday Inn Hotel, on the occasion of the anniversary of the Constitution.

According to Mr. Ben [Benoit's nickname], [words indistinct] our Constitution was voted in, and is shot through by a current of thought that has proved itself in the world. The speaker defined this current of thought as democratic socialism. Does that mean the people who wrote the Constitution were socialists? Are the people's demands, which prompted the writing of this Constitution, possible [to fulfill] only within a socialist context? To answer these questions, Professor Benoit defined socialism as an ideology, a doctrine laden with ideals, hope. The speaker listed these ideals, and cited them from the Constitution as well. They are: social justice, decentralization, solidarity, economic freedom, equality for women and men, ideological and political tendencies, and protection of the environment.

Of course the Conacom leader illustrated them in the Constitution. He cited each of these ideals that he considers permanent values of the socialist doctrine. Professor Benoit believes socialism is not uniformity, is not something enclosed within a dry body [as heard]. It is clear, he argued, that the conditions for socialism as a current of thought took root in the past century, in the 19th century.

Originally, the tendency of the socialists was to banish private property, but today there is another conception of socialism, Mr. Ben said. To the old way of thinking, private property represented the negation of social justice, at least the way private property was functioning in those times. It was wild capitalism, an unscrupulous capitalism, a heartless capitalism in which people were tearing one another apart.

According to the speaker, there is now a transformation going on in the world, and other thinkers see that both ways can be associated, that both can be united, that in a society where there is a private initiative, everything can be settled by due process, through laws and structures by which the government [can] lead a social justice policy. [passage omitted]

The Conacom leader asserts that in the preamble to the Constitution, it is stated that a socially fair Haitian nation must be promoted. The Constitution then has the appearance of a project. As a project, it has not yet become a reality. Mr. Ben thinks this is because the Constitution was created in a country where people are tearing one another apart, a country of wild capitalists, [where] there is no social justice. This Constitution was thus presented as a demand to be satisfied. This responsibility was given to the Haitian state.

This is why, said the speaker, it is important that the direction of business of this state be toward implementing the Constitution, a real social reform program. The speaker concluded that once we manage to apply the Constitution, we will no longer be at the stage of wild capitalism.

Jamaica

Government To Sell NCB Shares to Employees

FL2803142091 Bridgetown CANA in English 1258 GMT 28 Mar 91

[Text] Kingston, Jamaica, March 28, CANA—The Jamaica Government is to sell 20 per cent of its 30 million shares in the National Commercial Bank (NCB) to the bank's employees, Finance Minister P.J. Patterson

has announced. The six million shares are valued at more than J [Jamaican] 70 million dollars. The remaining shares are valued at some J 270 million dollars.

This is seen by observers here as the first step by government to divest its 49 percent holding in the bank. Fifty-one percent of the shares were sold locally in a public share offering under the previous administration, leaving the government with 49 percent interest in the island's largest commercial bank.

The finance minister said the government would retain 24 million shares and would determine when and under what conditions they will be disposed. He also announced that the memorandum of association and articles of association of the NCB Group Limited are to be altered, so that one shareholder will no longer be restricted to owning less than 7 and half percent of the bank's shares. Shareholders have been clamoring for a change and voted recently to petition the government to remove the restriction, which they blame for the depressed value of NCB shares.

News of the impending changes and a 100 percent increase in the company's October/December performance have however helped push shares from less than 9 dollars at the beginning of the year to 11 dollars in Wednesday's trading on the Jamaica Stock Exchange.

Patterson said that each of the 2,000 NCB employees would be allocated 3,000 shares through an employee share scheme financed by a loan from the bank at a moderate interest rate. There is to be an easy repayment scheme to allow employees to purchase the shares with equal opportunity for the messenger to the managing director. Employees will not be able to purchase shares one day and sell the next, as they would be required to sell to the pool. If the offer is over-subscribed it will be scaled down on a pro rata basis. Shares not sold will be kept in the pool for future employees, Patterson said.

NCB gross profits rose from 23.6 million in the last quarter of 1989 to 47.88 million in 1990. Operating revenue increased from 246.9 milion to 358.8 million dollars.

St. Vincent and the Grenadines

Opposition Loses Parliamentary Representation Case

FL2803204291 Bridgetown CANA in English 1935 GMT 28 Mar 91

[Text] Kingstown, St. Vincent, March 28, CANA—The regional court of appeal, now sitting in Kingstown, has dismissed a Constitutional case in which the appellants were pressing for the appointment of opposition senators to the one-party House of Assembly.

The three-member panel of judges, headed by chief justice, Sir Lascelles Robotham, upheld the January 1990 decision of Justice Satrohan Singh, who threw the matter out of court. Singh [had] told businessman Edgerton Richards and clergyman Duff Walker-James they had used the wrong procedure in taking the matter before the court.

Richards and Walker-James were contending that the governor general had the authority to appoint opposition senators in the absence of a leader of the opposition in the House of Assembly. With Prime Minister James Mitchell's New Democratic Party (NDP) winning all 15 Parliamentary seats in the 1989 general elections, there is no opposition in the St. Vincent Parliament.

The appellants have been ordered to stand the cost of the appeal.

Trinidad and Tobago

Gulf Crisis Contributes to Foreign Reserves

FL2803150091 Bridgetown CANA in English 1336 GMT 28 Mar 91

[Text] Port of Spain, Trinidad, March 28, CANA—Trinidad and Tobago's foreign reserves at the end of last year improved dramatically to just over TT [Trinidad and Tobago] 850 million dollars (1 TT dollar equals 23.5 cents U.S.)—a virtual doubling of the 1989 performance—thanks mainly to the Persian Gulf crisis.

The Central Bank's latest quarterly economic bulletin said higher prices for local oil exports during the last three months of 1990 had pushed up the reserves by 198 million dollars, compared with 117 million in the 1989 final quarter. Total receipts from taxes and royalties stood at TT 2,218 million dollars—up by more than 300 million dollars on the previous year's.

The actual input to the reserves from the Gulf crisis (Iraq invaded Kuwait August 2) was TT 213 million dollars, the bank said. Reserves at December 31, 1989 had amounted to TT 451 million dollars.

The bulletin also reported that outflows of foreign exchange through sales to the commercial banks for payments of goods and services from abroad rose again in the fourth quarter. Net sales reached over 447 million dollars, rising from 324 million in the previous quarter. In the fourth quarter of 1989, net sales of foreign exchange to commercial banks had amounted to 316 million dollars.

Payment of interest and capital on debt servicing totalled 1,938 million dollars, 33.5 percent more than the 1,451.8 million dollars in the corresponding period of the previous year.

President Salinas To Visit U.S., Canada

PA2803152391 Mexico City Red Nacional 13 Imevision Television in Spanish 1300 GMT 28 Mar 91

[Text] Mexican President Carlos Salinas de Gortari will visit the United States and Canada on 7 April. His visit to Canada will be an official one. While in the United States, he will hold a 90-minute private meeting with President George Bush in Houston. Salinas and Bush met for the first time in Houston when the two were only presidents-elect.

Salinas and Bush will primarily discuss the trilateral free trade treaty. In Toronto, Salinas will meet with businessmen and political leaders. On 8 and 9 April, he will meet with Canadian Prime Minister Brian Mulroney. The Mexican president will speak before the Canadian Parliament.

* Salinas Highlights PRI Respect for Law

91CA0084A Mexico City LA JORNADA in Spanish 5 Mar 91 p 20

[Text of address by President Carlos Salinas de Gortari at Plutarco Elias Calles Auditorium, Mexico City, on 4 March, on the occasion of the 62d anniversary of the Institutional Revolutionary Party (PRI), before he swore in the 157 members of the PRI National Political Council]

[Text] Fellow party members:

It is with great pleasure that I join the members of PRI in celebrating not just another anniversary of this political institution but also the year in which it will transform its structures and improve its internal practices. This is why this PRI gathering is special.

On this anniversary I salute the members, the delegates from all over the republic, the leaders of the state and district committees, and the members of the new National Political Council. In particular, I want to salute and express my gratitude to its national leader, Luis Donaldo Colosio Murrieta, for his dedicated, committed, enthusiastic, and persevering work.

After just over two years, what PRI proposed as a campaign platform is already yielding major results in government for the country. Effective tools have been created that have enabled the nation to restore the stability of its economy so that it can grow again; to intensify competition, to expand the range of democracy, and to launch a head-on attack against poverty in the countryside, in indigenous zones, and in working-class colonias [urban communities] alike.

Mexico commands greater respect in the world and is broadening its ties with Europe, the Pacific, and notably with Latin America, the United States, and Canada. Thus, Mexico is changing.

The party is now promoting, as it has throughout its history, the struggle against backwardness and disadvantagedness, because in defending the nation it seeks to defend all Mexicans. It wants to prevail, but under democracy, in competition, and with the broadest freedoms, because in the sovereignty of the people lies the sum total of our real strength. It wants a modern, viable, stronger economy, because it knows that only thus can we compete in the world and create opportunities for all. It wants to anticipate world events in order to assure Mexico its own worthy place in the concert of nations. Therefore, the party and the administration that it brought to power are in the ideological lead in Mexico and are finding increasing support and acceptance from society.

This gives us strength for democratic competition. As has been rightly said, democracy is not demonstrated through the defeat of PRI but rather through the respect of all for the vote of our citizens. It is not sanctioned overseas but rather through the vigilance and conviction of Mexicans. It is not fostered by silencing spokesmen but rather by debating with them, by demanding and showing respect.

For historical reasons, whatever happens with the party concerns and touches the entire nation. As the chairman of the National Executive Committee reaffirmed today, the party is seeking above all to strengthen its unity, because without unity its reforms will be of little use. Thus, it seeks to enhance the importance of the membership and, consequently, to channel into positions of leadership and popular representation the officials who have distinguished themselves the most in daily activities and in the struggle. It is promoting respect for the decisions of local bodies and is enriching the life of the party itself.

Through the expression of diverse opinions, so that the sum total of our forces is more effective and becomes the cement of joint action. It is also starting up something that is indispensable: the training center for its officials, because it must have the finest officials to direct its own internal change.

A party that brings together representative sectors that organize and lend strength to peasants and workers enhances its own capacity for regional action at the same time. Without losing traditions and forms of organization, it adapts tactics and structures because, as has been said here, it will seek to respond to the new political and social conditions in the country. The party is thus moving forward in step with the modernization of Mexico.

The members of PRI understand democracy in its broadest social implications. The party has been the Mexican political organization with the longest tradition, the most important program, and the most grassroots support in effectively promoting social welfare.

Throughout its history the party has identified with solidarity among Mexicans and with those who have the least.

The principle of social justice has guided the party's path. Today, in practice, there is tangible evidence that this age-old struggle is continuing with renewed vigor. Solidarity belongs to all Mexicans, and PRI is determined to prove this.

Fellow members of PRI:

The party finds itself in a new stage of its life, seeking to achieve new goals consistent with the demands and challenges of Mexico today. Party reform will thus have to continue bearing fruit. The Institutional Revolutionary Party is modernizing in accordance with the demands that its members have made on it and at the pace that they have indicated. The party is prepared to meet responsibly and effectively the electoral challenge that it has before it, with a new declaration of principles that reaffirms its revolutionary spirit, a program of action that sets new goals consistent with the needs of our society, and with bylaws that provide for appropriate channels of participation and various forms of internal democracy. The democracy of PRI is the one that its members want, with the forms that they have suggested, the one that the circumstances of organization and participation in each region of the country have demanded. It is a democracy made to strengthen its own unity.

The membership is more vigorous. They understand well that they must be united in order to be competitive in elections, with an organization and ongoing political work. They must select candidates who will work hard to score victories through freely cast ballots.

The administration will act impartially in election contests. Our commitment is to the law. PRI, I am certain, is going to compete in the new juridical framework that has been established, with political responsibility, adhering to the law, winning voters over through hard work and a campaign platform that embodies the spirit and the needs of the people. The specific objective of the struggle that you have decided on is to preserve a sovereign country and more and better channels for democratic competition, to raise the living standards of all Mexicans, especially those who have the least, within a framework of liberty. This is unquestionably the society and the nation that Mexicans are demanding, the one that our forefathers strove to build and that our children deserve to receive.

In the contest that lies ahead the people do not want to see cockiness; they want to see work, hard work and a commitment to meet their most urgent demands, and the members of PRI are demanding that their principles be put into effect. The council that is being established today will unquestionably help to accomplish what you have clearly proposed.

Onward, with vigor and courage, this is how we achieve victory!

Costa Rica

Finance Minister on Free Trade With U.S.

PA2803173691 San Jose Radio Reloj in Spanish 0100 GMT 28 Mar 91

[Text] The first exploratory negotiations for a free trade treaty with the United States will be held on 28 March in Washington with representatives of the Costa Rican Government. Finance Minister Thelmo Vargas, Foreign Trade Minister Roberto Rojas, and a group of experts has left for Washington for this purpose.

This meeting will be for exchanging information on various economic and financial topics as well as on the main list of products to be included in the future free trade agreement. With the negotiations to be conducted tomorrow in Washington, Costa Rica becomes the first country to initiate this type of conversation, within what will become a free trade treaty. The negotiations in Washington will concentrate on several topics suggested by the [words indistinct] being done by Costa Rica with the World Bank and the progress made at the regional and tariff levels.

Costa Rica will bring up before the U.S. organizations the discriminatory treatment of European countries regarding the marketing of bananas and other nontraditional products.

The first conversations are exploratory, therefore, we do not hope to have free trade with the United States in the near future, Finance Minister Thelmo Vargas announced prior to leaving, adding that a list of goods and services that might be included in a free trade treaty will be discussed. Therefore, the issue of taxes on vehicles will be one of the points of interest for the United States, Vargas noted. The negotiations to be held on 28 March will be held specifically with the government foreign trade organizations in order to exchange points of view, the finance minister concluded.

El Salvador

New Legislative Assembly Makeup Assessed

PA2803181491 San Salvador LA PRENSA GRAFICA in Spanish 27 Mar 91 p 26

[Text] The makeup of the next Legislative Assembly has sparked great interest among Salvadorans. For the first time in many years, the people will have the opportunity of hearing the voices of renowned career politicians who had been left out of the electoral process for many years.

The credentials have not been given out, but already there are reports on problems and schisms in some of the political organizations which, like the PDC [Christian Democratic Party], sought last-minute alliances to gather more force and to try to recover votes lost because of their tarnished image.

It has come to the public's attention that Amanda Villatoro, a deputy elected in La Libertad Department for the PDC, remarked that she belongs to the UNTS [National Union of Salvadoran Workers] and not the PDC.

It has also been said that the PDC deputies have decided to join the Democratic Convergence.

According to opposition politicians, Arena [Nationalist Republican Alliance] is looking for four deputies from an affiliated party who would give the party 43 votes in the future Legislative Assembly. An example is the case of Nestor Ramirez, who, following his election on the National Conciliation Party [PCN] ticket, joined Arena. A PCN delegate recently remarked that "every man has his price, so we must wait and see what happens with the fatherland's future fathers."

For the time being, even before the Central Electoral Council's confirmation, it is known that the 84 seats in the next assembly will be filled by the following individuals:

Arena Faction

Jose Francisco Guerrero, Mario Eduardo Valiente, Miriam Mixco, Julio Antonio Gamero, Gerardo Gonzalez, Carlos Alfredo Miranda, Rene Figueroa, Carmen Calderon de Escalon, Jose Mauricio Flores Urrutia, Horacio Humberto Rios, Carlos Egberto Bermudez, Santiago Arnoldo Pena, Mauricio Zablah, Jorge Alberto Carranza, Ramon Francisco Aparicio Rivas, Ernesto Antonio Velasquez.

Within the same faction are: Raul Manuel Somoza Alfaro, Renato Antonio Perez, Roberto Villatoro, Reynaldo Quintanilla Prado, Moises Abdala Daboub Orellana, Juan Angel Ventura Valdivieso, Maria Marta Gomez de Melendez, Carlos Alfredo Hernandez, Carlos Guillermo Magana Tobar, Jim Medel Umana, Luis Roberto Angulo Samayoa, Oscar Balmore Echeverria, and Carlos Constantino Amaya; (there is a third and as yet unidentified deputy from La Libertad).

National electoral district deputies are: Roberto D'Aubuisson Arrieta, Mercedes Gloria Salguero Gross, Sidney Mazzini Villacorta, Mario Enrique Amaya Rosa, Raul Antonio Pena Flores (missing are the names of four deputies registered to complete Arena's 39 deputies).

It has been announced that those registered for the Central American Parliament (Parlaca) are: Major D'Aubuisson, Mercedes Gloria Salguero Gross, Colonel Sigifredo Ochoa Perez, Mario Enrique Amaya Rosa, Sidney Mazzini Villacorta, Raul Antonio Pena Flores, Rodolfo Ernesto Varela, Nestor Arturo Ramirez, Juan Duch Ramirez, (one candidate is missing).

PDC Faction

Elected for this faction are: Aristides Alvarenga, Ricardo Acevedo Peralta, Arturo Magana, Carlos Abdiel Centi, Roberto Edmundo Viera, Miguel Angel Requeno, Amanda Claribel Villalobos, Francisco Parada, Oscar Morales, Simon Parada, Miguel Angel Espinal, Eleazar de Jesus

Benitez, Jorge Diaz, Roberto Serrano, Orlando Murcia Pinto, Gustavo Salinas, Angel Gabriel Aguirre, Ludovico Samayoa, Osmin Velasco, Rolando Portal Isabel.

The national electoral district deputies are: Fidel Chavez Mena, Eduardo Colindres, Gerardo le Chevalier, Orlando Arevalo, David Trejo, and Ulises Sandoval.

Registered for the Parlaca are Pablo Mauricio Alvergue, Juan Ricardo Ramirez Rauda, Julio Alfredo Smayoa, Carlos Arevalo Cisneros, Jorge Humberto Posada, and Margarita Cartagena de Escobar.

PCN Faction

Heading the faction are Lilian Diaz Sol, Ernesto Kury, Rafael Machuca, Rene Calderon, Rafael Antonio Moran, Julio Sorto, Jose Calles; and for the national electoral districts Ciro Cruz Zepeda and Julio Moreno. It is not known who was registered in Parlaca.

Democratic Convergence Faction

Rene Flores Aquino, Jorge Villacorta, Francisco Colocho, Juan Jose Martell, Hector Silva, Raul Orlando Rodriguez, and for the national electoral districts Ruben Zamora and Silvia Barrientos.

Registered in Parlaca are Miguel Angel Morales Andrade and Rene Flores Aquino.

UDN [National Democratic Union] Faction

This party only won one seat for San Salvador, and it will be a toss-up between Mario Aguinada Carranza and the widow Aronette Zamora.

MAC [Authentic Christian Movement] Faction

This party managed to place Guillermo Antonio Guevara Lacayo as a national electoral district deputy with the votes of Julio Adolfo Rey Prendes, who was the candidate for San Salvador, according to political analysts.

Guatemala

Court Detains Accused Killers of U.S. Citizen

PA2803163291 Guatemala City EL GRAFICO in Spanish 27 Mar 91 p 38

[Text] Guatemala City, 27 Mar—The 10th Court of Appeals, which is functioning as a military court, yesterday rejected an appeal calling for the revocation of the arrest warrant against four military counterintelligence agents accused of killing a U.S. citizen, Michaele Devine, in 1990 in Peten Department. The four will remain under arrest.

The defense attorneys of the four members of the counterintelligence detachments, specialized units directly under the Defense Ministry staff [Estado Mayor de la Defensa], had appealed to a Peten Department military court to revoke the prison warrant, but the military court rejected the appeal. This ruling has been upheld by the 10th Court of Appeals, functioning as a special military court.

The arrested are: Benjamin Punti Peruch, Rafael Tiul, Pablo Lajuj, and Andres Morente Tipaz. They have been accused of kidnaping, torturing, and murdering Devine. The U.S. Government canceled its military aid to Guatemala due to this crime.

The same court decided to transfer the case from the Peten military court to this capital. The military prosecutor from the central military region will be in charge of the proceedings, the courts reported this morning.

The defense had objected to the Peten military judge and the court of appeals decided that the most advisable decision was to transfer the case to the capital, where it will be reinitiated on 1 April, following the Holy Week holidays.

Panama

Endara: Controversy With Arias Calderon Ending

PA2903043891 Panama City Circuito RPC Television in Spanish 2327 GMT 28 Mar 91

[Passages within quotation marks are recorded]

[Text] President Guillermo Endara has said that he views as positive Christian Democratic Party [PDC] President Ricardo Arias Calderon's statements of 26 March.

[Endara] "Undoubtedly he was very emotional. I do not know exactly what he tried to say with certain expressions, but I view them from a positive standpoint. Dr. Ricardo Arias Calderon and I held a good talk as friends and members of the same alliance, and I believe the crisis is about to be overcome."

Asked about the possibility that the PDC could go into opposition, Endara said:

[Endara] "I would not like that. The alliance for democracy in Panama is a very big and strong pact and we should set aside any personal differences for the good of Panama, as represented by the alliance and dictated by the country's needs."

As for next Monday's meeting of political parties convened by the Civic Crusade, Endara said the following:

[Endara] "I do not know; the other day I said on television that I would gladly attend if I were invited, but no one has invited me."

During the recording of the "Let Us Find Solutions" [Encontremos Soluciones] television program, which is to be broadcast on Sunday, 31 March at 1100 (1600 GMT), secretaries general of the Molirena [National Liberal Republican Movement], Arnulfist Party, and

PDC have agreed to meet at the APEDE [Panamanian Association of Business Executives] on Monday, 1 April.

Endara was also asked about other domestic issues.

[Reporter] "Mr. President, the country needs tranquility, especially for investment. Do you believe that such developments should currently be taking place?

[Endara] "I am glad you asked that question because I can tell you that as of now, I would like my interviews to be more positive because I believe this is what the Panamanians want. They want a positive attitude from their president. They want a positive attitude from their government and a positive attitude from good journalists."

Arias Calderon on Coup Charges, Party Line

PA2803134691 Panama City Circuito RPC Television in Spanish 0118 GMT 28 Mar 91

[Speech by Ricardo Arias Calderon, first vice president, government and justice minister, and president of the Christian Democratic Party at the Inter-China Restaurant in Panama City on 26 March—recorded]

[Excerpts] These last few days have been days of anguish. They have been days of internal pain that one controls to keep one's calm and poise. All of this is forgotten once I find myself among my people: The Christian Democrats. [applause]

This evening I am not wearing the hat of first vice president, granted to me by the Panamanian people by an absolute majority... [applause] nor am I wearing the hat of minister of government and justice, because they are temporary positions to which I am not especially attached. [applause]

I wonder how many people would have dared to wear them when this country had to be demilitarized? [applause]

I wonder how many would have worn them two days after 20 December [1989], when the minister of government had to face one hour and a half of gun shots fired from a bazooka gun? [applause]

I wonder how many would have worn them when between the evening of 4 and 5 December [1990] in the face of a coup d'etat. The minister who stood by the president was the minister of government. [applause] I am not very attached to those hats.

The hat that I wear this evening, and which fills me with pride, is the hat of president of the Christian Democratic Party [PDC]. [applause]

There have been senseless accusations and words do not matter in the face of senseless accusations. The facts of life are what count, but not only the facts of one man's life, but of a party's life.

As I see many young people, I would like to briefly recall some of the facts in the life of that party, which is today—and this has been confirmed—the leading democratic political force of our country. [passage omitted]

It is funny to now hear those people talking of coups who they themselves took part in coups during Panama's past! [applause] It is funny that they are now concerned about coups when they themselves welcomed the 1968 coup, hopeful they would then attain power! [applause] It is funny that some who benefited from the 1968 coup, before they regretted it, should today worry about coups! [applause] We have never staged a coup, we have never welcomed coups, and we have never benefited from coups because we are complete, full-time democrats. We have been, we are, and we shall continue being democrats! [applause] [passage omitted]

Who, at that time, walked alongside Dr. Arias during all his journeys? The PDC! [applause] Then came 1984; we permitted the Arnulfist Party, then called Panamenist, to name a presidential and vice presidential candidate—no matter who they were—because we needed to bring together the democratic opposition and rid ourselves of the dictatorship. Then came 1989; we were convinced we were the majority force. The votes confirmed this by a very broad margin. We again made sacrifices to forge together the democratic opposition and put an end to the dictatorship giving the country a new lease on life! [passage omitted]

It is not words that answer foolish accusations, it is deeds and day-to-day living; hopes, yearnings to improve—it is an inner step by step growth. I know how Hermel Rodriguez got there. I also know about Sebastian—the street egg vendor. [applause] I know each case; they have lived within me. [applause] I know what [one-second break in reception] [applause]. It is that life as a party member, the life of never-ending meetings, seminars that are repeated over and over, discussions, disagreements—but always making an effort to find once again unity and to maintain it. It is the spirit of telling one another our mistakes and accepting it fraternally and again embracing and continuing the fight together. The entire community goes beyond party boundaries and that makes us all brothers under one ideal. It is that, it is that throbbing life which prevails in this country, that is in all the country's economic and social sectors. It is that life as a party member that replies to those accusations. These accusations should not be answered with words, because the wind blows words away.

Together with these foolish charges, we have also received absurd threats, thinly veiled threats of arrest and imprisonment. Do they believe they can intimidate me? I was not intimidated by Manuel Antonio Noriega. How can I be intimidated by the person who uttered those veiled threats? [applause] There is nothing dark about my life; I have nothing to hide. They can ask me about any aspect of my public or private life. I am not frightened by them. [applause] I ask myself, however, if a thorough investigation of public and private lives of some of the people who have uttered such threats is in order? [applause] Foolish charges are answered by the

life of our party and absurd threats are answered by the life of this man. The life of a man who has been accompanied by an extraordinary woman for more than 27 years. [applause]

Let us leave the foolish charges and the absurd threats behind. The life of the party and the life of this man who is proud of serving as the president of this party will go forward, and we look toward the future without any apprehension or fear. We should not confuse decency with weakness. We are decent but we are also strong. [applause] We must not confuse good sense with cowardice. We are sensible for the sake of the country and the fatherland, but we have the courage of citizens and of Christian Democrats. This life of decency and strength—I would say fortitude more than strength—this life of good sense with courage is what pushes us forward. We will continue to walk the straight path. We will continue on the path of building democracy in Panama, regardless of the price we have to pay. We will build constitutional democracy because there is no democracy outside the Constitution; there is no democracy outside the law, and there is no democracy without respect for duly-elected authorities. I say respect for the authorities in all the branches of government: The executive, the legislative, and also for the corregimiento representatives because we have all been elected by the same people and we all should respect one another. [applause] [passage omitted]

We will continue to build democracy. We will continue to carry out the country's demilitarization. We will continue to struggle to uplift our country. We must say frankly and honestly that the ideals that inspired us in other times are beginning to get weak. Are we not all witnessing this? Are we not all listening? Well then, cost what it may, Christian Democracy will continue to be the prophet of decency in our country. [applause] We will continue to build democracy, forging the demilitarization, advocating the decency of our country, and promoting development with social justice within our means.

I have said on several occasions that, just as there is financial debt—almost 6 billion balboas left by the dictatorship—along with that financial debt there is also a social debt. It is the debt of unemployed people, the debt of underpaid teachers, the debt of hungry school children during classes, the debt of health centers, schools, highways, roads, and all kinds of public utilities that are not provided because we do not have the means. If anyone does not like to have the social debt talked about, I am very sorry, but it is part of our country's reality. [applause] It does not mean committing errors such as those that were committed in Peru, for example, where the financial debt was forgotten on the pretext of facing the social debt. The Peruvians did not manage to overcome either one. To draw a picture of our situation in that way is to draw a caricature and to do this deliberately is to harden our hearts and not identify ourselves with the poverty-stricken people in our country. What it means is something else. What it involves is to face up to the financial debt, but to reach terms with the creditors that will permit us at the same time to confront the social debt. It is not justified that in a country such as ours, with the needs that we have, there has been a budget balance of almost 300 million balboas in 1990. [applause] I did not invent that figure. It is in the latest study by the U.S. Embassy economic advisers, in case anyone wants to have the source.

We will continue to build democracy. We will continue to carry out our demilitarization and to forge a new police force, step by step. We will continue to struggle to uplift our country. We will continue to be the voice of the poor in Panama, regardless of who does not like it, because the poor need a voice and the PDC's voice belongs to the poor. [applause]

We will continue on this straight path regardless. We will continue this path in the government of preference for a very simple reason: The Panamanian people elected us to the government. More than 260,000 Panamanians picked us to govern. To stay there, co-governing with respect for the president of the Republic, but also deserving the respect of all, of all [repeats], to remain requires mutual respect. This does not signify silencing healthy criticism. On the contrary, an alliance is invigorated even more by healthy criticism and when there is the will to correct errors. Whoever cannot stand criticism and does not want to correct errors is not meeting the demands of the Panamanian people. [applause]

I have withstood more criticism than anyone, yet I have never raised my voice, lost my composure or used a harsh word, because the minute one falls into that behavior, one is revealing to those watching that one has lost part of the reason that one claimed to have. [applause]

We will continue our straight path in the government, with mutual respect given and received, with the will of healthy and constructive criticism, with the will to correct errors when they are pointed out and confirmed. Are we going to be afraid to be in the opposition again? [crowd responds: No!] You have answered me. [crowd laughs] [passage omitted]

Telephone Espionage Reportedly Being Investigated

PA2803163191 Panama City Circuito RPC Television in Spanish 2335 GMT 28 Mar 91

[Report by Ciro Ortega]

[Text] The investigations of electronic espionage might bring many surprises. It has even been said there will be arrests.

To disable the electronic espionage network will take some time but there are already some clues as to the specific purpose of those who have tapped the telephones at the presidential building. Important evidence was uncovered after a recent raid at building 322 in the reverted areas of Balboa, a building being used by the police.

[Begin recording] [Carlos Bares of the Institutional Protection Agency] The purpose of this tapping is wrong.

[Reporter] Maybe it was used in connection with a coup?

[Bares] I could not say this was the purpose. This will be determined by the results of the investigations. [end recording]

Special documents were apparently found in the building, although no sophisticated electronic equipment was discovered. The Security Office and the Judicial Technical Police [PTJ] are trying to pinpoint the specific place in the city where this electronic eavesdropping is done. Meanwhile, in the presidential building every telephone is being closely inspected and used only as necessary and carefully. No other telephones have been found to be tapped, however. Apparently, the president's telephone was the only one being tapped. It has been reported that the PTJ has arrested some individuals, including Public Force members. The PTJ director has said, however, that he has no information on this.

[Begin recording] [Reporter] Is it true that some officers have been detained in connection with this espionage?

[PTJ Director Osvaldo Fernandez] Not that I know of. I have nothing to say on this.

[Reporter] Bares has been reported to be the head of....

[Fernandez, interrupting] Look, I know absolutely nothing of that.

[Reporter] Will the PTJ look into this matter?

[Fernandez] Only if the Public Ministry tells us to. [end recording]

The Public MInistry, however, has not said a word so far. The Defense and Security Council—headed by Menalco Solis, who was a minister in Noriega's time—and where there are sophisticated telephone tapping systems, has not yet made a report, reliable or otherwise. Solis apparently is eluding the press.

In addition, the Legislative Assembly has requested that these irregularities be investigated in depth because telephone tapping is a violation of the Constitution. Apparently something is rotten in Denmark and someone is betraying someone else in the government coalition. The investigations will shed more light on the matter.

The tapping of telephones of leading government officials is an illegal practice that should be condemned by all. The culprits using the same tricks utilized by the now ousted General Noriega against his political enemies must be uncovered. The authorities should help shake up democracy and assist it in getting rid of these evils of the past.

Intel Director Denies Involvement

PA2803214491 Panama City LA PRENSA in Spanish 28 Mar 91 p 1

[Report by Jose Quintero De Leon and Elkilia Santos]

[Text] Jose Mauad Orej, director general of the National Telecommunications Institute (Intel), has said that for the peace of mind of citizens and telephone customers, there must be an exhaustive investigation into the telephone espionage reported by President Guillermo Endara.

Mauad Orej, who is currently on an official mission abroad, issued a statement via fax, vigorously denying that Intel is in any way responsible for the tapping of Endara's private telephone.

"Intel is in no way involved in the action denounced" by the president, Mauad indicated, adding that the proposed investigation should be aimed at "determining the responsibilities in the case and of making the results public."

In October, it was leaked to the news media that the Public Ministry authorities had ordered the telephones of retired Colonel Eduardo Herrera to be tapped because of his suspected involvement in subversive plans detected in Chiriqui Province.

The Intel director subsequently denied that his technicians were involved and he explained that the Intel was not in possession of the equipment which had been used by the military regime to tap phones.

Meanwhile, Judicial Technical Police (PTJ) Director Oswaldo Fernandez has said that he does not know whether the police institution has arrested several former officers of the Defense Forces and the Public Force for involvement in the telephone tapping.

A political source who asked to remain anonymous has reported that several former officers were arrested after members of the Presidency's Institutional Protection Service (SPI) raided a house on 25 March in the canal reverted area. The house was being used by the police to discuss its operations against criminals.

Nevertheless, this information has not been confirmed or denied by authorities.

Apparently, the raid on house No. 322 on Morgan Place did not lead to the discovery of sophisticated equipment, although some other evidence was found. The PTJ and the SPI are continuing to search specific locations of the city from which espionage is reportedly being carried out.

Foreign Minister on Internal Disputes, MLAA

PA2803224391 Panama City Radio KW Continente in Spanish 1200 GMT 28 Mar 91

[Report on interview with Foreign Minister Linares by Jenny Lee Martinez in Panama City; date not given]

[Text] According to Foreign Minister Julio Linares, the recent disputes do not boost Panama's reputation abroad, as we are projecting the image of an unstable country.

[Begin Linares recording] The internal government disputes are not only affecting the work of the administration, as we have observed, but they also reflect a terrible image, a terrible image [repeats himself] of the Panamanian government and the Panamanian state. I urge all political groups to set aside their differences and to work toward consolidating democracy and the institutions of the Republic. If this situation persists, it will not have a positive effect. [end recording]

Foreign Minister Linares also referred to the Mutual Legal Assistance Agreement [MLAA].

[Begin recording] [Martinez] Is it true that Panama's counterproposal has not been revised by the United States?

[Linares] First of all, the United States did not agree with Panama's counterproposal. In order to be able to say that it did not agree, the United States had to revise the counterproposal. Otherwise, it would not have been able to give us an answer.

Then, evidently an impasse had resulted. The United States maintained its original position that in the case of crimes requiring joint cooperation the crime in question should be considered a crime by the state serving the summons.

As you all know, the Panamanian position is that crimes requiring a cooperative effort should be recognized as a crime under the laws of both countries.

We have broken the impasse by adopting, as the basis for the agreement, a treaty that had been concluded between the United States and the Bahamas—one of Panama's most important competitors.

[Martinez] It is being said that the canal treaty might be renegotiated after the MLAA is signed.

[Linares] The United States, as any other country, can propose to negotiate any treaty with Panama, so I cannot say anything about this. I can, however, point out to you what has been the president's answer and my answer. We are not willing to negotiate any treaty concerning the military bases.

[Martinez] We are being told that the United States is forcing Panama to sign the MLAA such as it did not accept the counterproposal presented by the Panamanian Government.

[Linares] To that effect, we might also say that we do not accept the U.S. counterproposal, we do not accept the U.S. counterproposal [repeats himself].

[Martinez] Nonetheless, the treaty will be signed in April, correct?

[Linares] Yes, because despite the impasse, we have decided that the best way to resolve it is not by taking the U.S. proposal or our counterproposal as the basis for discussion. Instead, we are focusing on a treaty concluded with a financial center and Panama's competitor—the Bahamas. I will tell you one thing: Our counterproposal is based primarily on the Bahamas treaty; it is not an exact copy, but a close replica. [end recording]

To Sign Pact 'Very Soon'

PA2903151691 Panama City EL PANAMA AMERICA in Spanish 29 Mar 91 p 2A

[Report by Juan Pritsiolas]

[Text] The Panamanian Government will very soon sign a mutual legal assistance agreement [MLAA] with the United States in the wake of U.S. Government official Michael Kozak's surprise visit to Panama this week, a government source reported yesterday.

According to a report that Foreign Minister Julio Linares delivered to the Legislative Assembly, the government of Guillermo Endara initiated negotiations with Washington regarding the MLAA in February 1990 with the desire to erase the impression that Panama is a drug trafficking and money laundering center.

In the negotiations, the U.S. delegation, headed by Michael Kozak, principal deputy secretary of state for Latin American Affairs, suggested that the legal assistance be extended to fiscal violations. Panamanian bankers and lawyers, however, rejected this proposal, saying the banking center, which has assets of nearly $30 billion, would be affected.

The last rounds of negotiations were held on 1 November 1990. On 24 January, Foreign Minister Linares handed to U.S. Ambassador Deane Hinton a counterproposal to include in the MLAA drug trafficking, money laundering topics, and crimes classified as such in the two countries.

The Panamanian formula excludes matters related to taxes or exchange unless they are connected to drug trafficking and currency counterfeiting.

In addition, Julio Berrio, legal adviser to the Foreign Ministry, said yesterday that it would be good for Panama to sign a MLAA similar to the one signed between the United States and Bahamas, which does not include fiscal aspects.

Berrio, one of the Panamanian delegates to the MLAA negotiations, denied that his resignation, effective in late May, was provoked by U.S. pressures.

Berrio said that in every negotiation for international agreements, one of the sides will likely frown on those who advocate stands regarded as nonnegotiable. It is no secret, either, that I hold a nationalist stand, Berrio added.

Arias Calderon Comments on Panama Canal Treaties

PA2903024891 Panama City ACAN in Spanish 1611 GMT 25 Mar 91

[Article by Antonio Martinez]

[Text] Panama City, 25 Mar (ACAN-EFE)—The current Government of Panama will not renegotiate the Panama Canal treaties with the United States because "this is not the most opportune time," First Vice President Ricardo Arias Calderon has said in announcing preparations for taking over the management and the defense of the waterway.

Referring to a campaign by interest groups seeking to prolong the U.S. presence in Panama—opened in both countries at the beginning of this year—Arias told ACAN-EFE that "this is not the best of times to negotiate."

According to recent polls, two out of every three Panamanians want to renegotiate the treaties and to extend U.S. military presence beyond 2000.

Arias noted that "the two sides must fully comply with the existing canal treaties, signed in 1977.... It is the wisest move for our country and the development of relations between Panama and the United States."

He also cautioned that if Washington proposes to renegotiate and "a future Panamanian government" accepts the offer, "any change that alters the binding treaties would make it necessary to hold a plebiscite."

Proponents of renegotiations, including legislative leaders from both countries, have said that Panama is not ready to take control or to defend the interoceanic waterway. They are proposing that the U.S. presence in Panama be extended beyond 31 December 1999—the date set by the 1977 treaties.

Arias, who is also the government and justice minister, acknowledged that Panama must strive to take full control over the canal in the year 2000.

"I believe that countries rise up in the face of challenge.... I trust that the Panamanian people and their government will measure up to this challenge," Arias remarked.

"When we began the struggle against the (Manual Antonio Noriega) dictatorship it was said that the Panamanians had neither the will nor the conviction to maintain the struggle because we are a happy-go-lucky people who are only serious about carnivals. The challenge of overcoming the dictatorship, however, caused our people to rise up and to maintain the struggle for many months, much longer than anyone had imagined," he noted.

Arias insisted that Panama must prepare itself to take over the canal, primarily by creating a new institution to replace the Panama Canal Commission, which will cease to exist at the end of 1999.

Panama, he added, must also complete the study on alternatives and improvements to the canal that a tripartite commission, composed of Panama, the United States and Japan, has been working on since the past decade. On the issue of the defense of the canal, he expressed the conviction that "in terms of absolute security," the waterway "has never been defensible."

The existing "military apparatus," with 10,000 U.S. servicemen stationed in Panama, "is based on other concerns that go beyond the immediate protection of the canal," he stated.

"The canal," he added, "has always been vulnerable to acts of sabotage by individuals or small groups, and a military deterrent is not the way to protect it." The vice president stated that the security of the canal can be guaranteed if Panama has a democratic system that assures peace. He recalled that the Panamanians have never attacked the waterway, and that "concern over the security of the canal developed only in the final days of the Noriega dictatorship."

"A second factor in the defense of the canal is the creation of a professional police force specifically for policing the canal area. We still do not have such a force, but we are headed in that direction," the vice president announced. He stressed that individuals entrusted with this task "will be policemen and not soldiers." Last week, Arias submitted a bill to the National Legislative Assembly calling for a constitutional amendment introducing a ban on the Armed Forces.

"The third factor," he added, "is the diminishing confrontation between the superpowers in the international arena. If the trend continues, the neutrality of the canal would not be a utopian dream."

Saddam Allegedly Used Firms To Divert Funds

PA2803174091 Panama City LA PRENSA in Spanish 27 Mar 91 p 24A

[All Arabic names as published]

[Text] Individuals residing in Iraq's capital, Baghdad, are among the leading members of the Montana Management Consortium, Inc., which operates in Panama and covers a broad range of commercial activities. Its ownership has been attributed to Iraqi leader Saddam Husayn.

International press reports state that Saddam has diverted 5 percent of Iraq's profits from oil exports for

his personal benefit through the intricate maneuvering of assets, among which is the stock company that operates out of Panama.

Information supplied by the Public Registry confirms that the company exists and that it was officially registered on 10 September 1984 by the Morgan and Morgan legal firm.

Since 27 April 1990, Iraqi Adulsttar M. Ali Alabbulah has been listed as the stock company's president with "special powers;" Mauwafak I. Abdul Karim has been its treasurer; and Allaidin H. Alwan, the secretary. The firm began with a capital of $100,000 divided into 100 $1,000 shares.

According to an AP report dated 24 March, the company that administered Saddam's property in Panama was the Montana Corporation, but an investigation conducted by LA PRENSA at the Public Registry has not confirmed these connections.

The Montana Corporation is registered in deed No. 2704 of 5 June 1980, and its directors are: Max Gloor, president; Werner Boegli, vice president; Otto Fiestle, treasurer secretary; and Rudolf Seiffert, assistant secretary and assistant treasurer.

One of the advantages of the stock company system in Panama is that it renders it feasible and legal for investors to diversify their companies without having their names appear as the owners.

Montana Management Inc. has been authorized to function in Panama "and any other country, colony, or foreign territory," in such operations as sales, purchases, transfers, negotiations, disposals, exchanges, ownership, administration, financing, giving or taking of commissions, mortgages, securities, leasing, use, legal use and trusteeship of property and real estate, shares, or priviledges.

It can also conduct business, operations, contracts, and legal trade transactions, and it can participate in all of the events, contracts, transactions, and operations that the law allows stock companies to conduct.

According to private investigator Jules Kroll of New York, who was hired by the Kuwaiti Government, Saddam has "illegally" skimmed between $10 billion and $11 billion from his country's profits from oil sales, and has transferred them to consortiums in foreign countries.

Argentina

Menem Interviewed on Common Market, Foreign Debt

PY2703020591

[Editorial Report] Asuncion RPC Television Network in Spanish at 0020 on 27 March during the "Time To Communicate" [Tiempo de Comunicacion] program, begins coverage of a one-hour recorded interview with Argentine President Carlos Saul Menem by RPC anchorman Ernesto Garcia from the Government House in Buenos Aires, Argentina. Paraguayan businessmen also pose questions.

In response to a question, Menem says that the Common Market of the South, Mercosur, will enhance the possibilities for Latin American countries' economies to grow. He says that the creation of a common market does not mean that countries will interfere in each other's affairs.

The subject of Paraguayans and Bolivians living in Argentina is discussed. Menem recalls that he had asked for two or three years to pull Argentina out of the pitiful situation, and that everyone will benefit from the exchange of products within the region.

When asked about inflation, Menem recalled that a similar situation occurred after the Second World War, and through adjustments and through lower interest rates, the crisis was overcome.

Menem answers a question about corruption in the Yacyreta hydroelectric dam project by saying that corruption has been proved and that the information will be made public as it becomes available. He adds that the dam should be built using local raw materials.

Menem says that he believes that travel should be easier among Latin American countries, possibly through a single travel document.

The waterway system is briefly addressed and Menem says that the environment must be protected.

The foreign debt question is then posed. Menem stresses that the debt must be negotiated individually for the moment, and that through increased trade we will be better able to honor our debts. He says that the Brady Plan may benefit the debtors, and this could include Southern Cone debtors. He says: "We will not begin to negotiate our debt jointly for the time being; we will continue to negotiate it separately. By increasing commerce, by increasing trade among the countries that are working for integration we will have a better chance to honor our foreign debts. The Brady Plan, which is meant to help debtor countries, may now also include the Southern Cone countries, the countries that are involved in this Southern Cone process. There might be other plans; the Brady Plan does not discriminate against other means to negotiate the foreign debt. There will be no prospects for our countries, however, if we do not realize that we must settle this foreign debt problem with our creditors. The foreign debt is a very heavy burden, a real scourge, but it must be settled, it must be negotiated and renegotiated." Answering a question on conflicts of interest over the common market, especially those sectors that have flourished without the Mercosur, Menem says that confrontation is inevitable. He comments that the new order being established will do away with the privileged sectors that have caused the crisis. Menem ends by saying that the treaty must be signed.

Railway Workers Decide To End 44-Day Strike

PY2803190491 Buenos Aires TELAM in Spanish 1552 GMT 28 Mar 91

[Text] Buenos Aires, 28 Mar (TELAM)—A plenum of 60 union branches, most of them affiliated with the La Fraternidad union, decided at 1240 today to end the indefinite strike they have observed for 44 days.

Sergio Casares, a spokesman for the striking unions, told TELAM that the decision to end the strike was made in a unanimous vote by the 60 branches that were represented in the plenum held this morning at the Santos Lugares branch of the San Martin Railway Enterprise.

Casares said that details on the lifting the strike will be given by the strike commission in a news conference at 1330 at Plaza de Mayo, where some railway workers from the La Fraternidad union have been on a hunger strike.

Cavallo Announces Hikes in Utility, Gas Prices

PY2803214291 Buenos Aires BUENOS AIRES HERALD in English 28 Mar 91 p 1

[Text] (DYN)—From midnight last night, water rates, train tickets and postal charges were to go up by 25 percent, gas rates were to rise 10 percent, and electricity rates by five percent. The tarifazo [steep increase in utility rates and fuel prices] was announced by Economy Minister Domingo Cavallo in a press conference yesterday.

However, Cavallo also revealed that industrial users would benefit from cuts of 15 percent in gas costs and of 20 percent in electricity rates.

He further announced YPF's [Government Oil Deposits] petrol prices were to fall today by one to two percent, and diesel prices by five percent.

The YPF cuts bring the price of a litre of premium petrol down to 6,270 australs, and the price of regular 5,110 australs per litre. Diesel will now cost 2,850 australs a litre.

Cavallo also announced that the road toll system would be reintroduced from Monday, although with lower tolls.

Brazil

Teixeira Installed as New Infratructure Minister

PY2903121491 Brasilia Domestic Service in Portuguese 2200 GMT 28 Mar 91

[Summary] During a ceremony held at Planalto Palace on 28 March, President Fernando Collor installed new Infrastructure Minister Eduardo Teixeira, who replaces Ozires Silva.

Chile

Government, Armed Forces Respond to Rettig Report

'Text' of Army Response

PY2803220091 Santiago EL MERCURIO in Spanish 28 Mar 91 pp C2, C3

["Full text" of the Army's response to the Truth and Reconciliation Commission report on human rights violations; submitted to the National Security Council in Santiago on 27 March]

[Text] The Army, the Truth, and Reconciliation

I. Introduction

On 4 March his excellency the president of the Republic announced to the country the completion of the Rettig commission report.

In his address to the citizenry, the chief of state called upon all Chileans "to accept the truth contained in the report and to act accordingly."

The Chilean Army, out of loyalty to the fatherland, in remembrance of its members who gave their lives and their relatives, and in keeping with its permanent attitude toward national unity, has decided to officially address the contents of this report.

The Army is doing so with the goal of putting events and circumstances in the appropriate context, taking into account the fact that, despite the fears expressed on 25 May 1990, it has helped this commission to fulfill its duties.

The Army's response is based on the permanent values and principles that guide it in carrying out its duties, which, throughout history, it has always fulfilled, keeping in mind the highest national objectives. This has even driven it, with the support of the majority, to establish new and more solid foundations for the norms of coexistence that currently prevail in Chile.

The peace and tranquility that the Army—together with the other Armed Forces and the Carabineros—has given the country, as well as a real opportunity to grow with justice and democracy, would have not been feasible without the Army's patriotic, fundamental, and decisive performance.

Moreover, the Army is expressing its position while taking into account the desire of the president of the Republic for reconciliation, which is also supported by the majority of the Chilean people. Our institution is participating enthusiastically and cooperating loyally in the quest for this goal.

II. Development

A. Confirmation of Institutional Fears

In May 1990 a member of the Army, a special envoy sent by the commander in chief of the Army, met with the president of the Rettig commission. On that occasion the Army representative informed the commission president about the reasons behind the Army's fears regarding the practical performance of the commission and its eventual consequences, especially regarding the feasibility of carrying out an administrative task of that nature in a truly objective manner, the possible undue intervention of the commission in tasks which have always been the exclusive purview of the Chilean courts, and the possible use of the report's conclusions for political propaganda purposes by sectors determined to discredit certain people or institutions.

Now that the commission has finished its work and the contents of the commission's reports have been made public, the Army must point out that its aforementioned concerns have been justified.

It is obvious that the task entrusted to the commission—that is, to investigate reports of alleged violations of human rights—could hardly be accomplished to the point of truthfully reflecting what really happened in the country, even within the limited span of history to which it was limited, because of the following factors: the brief amount of time available to the commission to accomplish this task, with human resources untrained in the examination of complex matters; the part-time dedication of its members, as acknowledged in the report itself; the delegation of questioning sessions to personnel from a state secretariat who were not members of the commission; the publicly stated positions of several commission members, who are against national defense institutions; and finally, the examination of biased and unilateral versions of events. In fact, the contents of this report reveal an unforgivable ignorance of the true causes behind the effort for national reconstruction that was launched on 11 September 1973.

It has also been proved, as will be explained later, that the commission has overstepped its jurisdiction and the rules and regulations of the nation and the state of law by going beyond fact-finding into the realm of pointing out the responsible parties.

The widespread publicity given to the situations addressed in the report has stimulated the use of the report for political and partisan purposes, which has in turn created an atmosphere detrimental to the prestige of the fatherland's basic institutions.

Public opinion has witnessed the sensational manner in which certain news media have described the investigations conducted by the commission. Unfortunately, this has encouraged and provided justification for the extremist attitudes of people who, instead of seeking reconciliation, prefer to satisfy their lust for vengeance against those who thwarted their totalitarian project.

Thus, it is the Army's duty to denounce the fact that the improper presentation of this report as the truth has caused—as should be expected—a spiralling onslaught of violence and animosity which is totally at odds with the conciliatory objectives outlined by the president of the nation.

B. Contents of the Report

Considering the contents of the document, the reference it makes to the institution, the exceptional responsibility the institution had to assume during the period covered by the report, and the functions that the Constitution has assigned to the institution, the Chilean Army hereby states the following:

1. Preliminary Observations of the Army

a. Declaration of 13 June 1990

It is appropriate to recall the public declaration released by the Army on 13 June 1990 because it provides a broad perspective of the general position from which the institution has addressed and evaluated the facts that, according to the report, are human rights violations. Following are some of the most substantive parts of that declaration:

"The men of arms—men of honor, educated with sound moral principles and fully devoted to the higher interests of the fatherland—deplore, like all Chileans, the tears that were shed during these years. We also have our own martyrs, our widows, our orphans, and our crippled men."

"Peace—which was achieved through the contributions of all those who struggled for the freedom of our fatherland—sometimes makes one forget the tragic dimension of war."

"As time passes by, war is remembered simply as a cruel and passionate outburst."

"The memories of the specific way in which the war was waged, and above all the factors that provoked it, begin to fade."

"War is always bloody. It always produces pain, hatred, injustice, and inhumanity. War highlights, almost exclusively, this image of cruelty."

"Soldiers do not provoke war or stir people to take up arms. Soldiers make war, and when they return victorious, they are forgotten, if not misunderstood or condemned."

"Those using painful episodes are deepening the wounds of those who suffered, are attempting to divide Chileans, and are hindering the reconciliation effort that the Chilean Army loyally wants to join."

"It is a matter of concern that an irresponsible attitude toward this high objective could exacerbate hatred and provoke reactions that could lead to a regression."

"The Army is convinced that during these years it never failed to serve Chile, and it is proud of the everlasting merit of having fulfilled a historic mission."

b. The Institution's Presentation to the Commission

On 6 August 1990, the Army handed the National Truth and Reconciliation Commission a report requested by the commission.

The report included background information on the situation prevailing in Chile in the period immediately before 11 September 1973; on how events developed and how they affected the various political and social sectors of the nation; and on the way the Army fulfilled its historical mission while suffering the effects of subversive and terrorist actions.

The report also included the theoretical, juridical, historical, socioeconomic, and moral premises of the military action, as well as information on the Army casualties and various documents that justify such premises.

The Army cannot agree to the disregarding of a basic premise of its report—which refers to the existence of a state of war in the period under study—and of all the implications associated with a state of war when considered from a professional, legal, and competent viewpoint.

2. The Army and the Standards Used

The commission's path toward reaching its assigned objective and the report released as a result of its work have been considered by the Army as follows:

a. Toward Reconciliation

History and individual and social experience have proved that situations of great conflicts are not overcome through the reconstruction of the events which created the conflict. This reconstruction interrupts the pacifying effect of time, which allows animosity to fade and insults to be forgotten. These standards have inspired the granting of amnesties for centuries.

The reconstruction of the painful past will probably lead to a resurgence of feelings of mutual hostility, with an eventual internal instability and risks to the security of many people. This is valid for both external conflicts and the internal conflicts the country has experienced.

A nation's peace is ultimately attained by emphasizing the factors which unite the population and by overcoming the issues which divide them.

b. Unilateral Truth

The commission's sources of information were unilateral.

To reach an objective truth in each case, it is necessary to have not only the information from one of the parties involved but also an overall background, which is the evidence of how the actual events occurred. The simple method of gathering and accumulating information—without strict legal procedures—provided on the exclusive basis of suspicion or accusations from one party cannot lead to conviction or certainty. The commission, however, repeatedly stated convictions and certainties based on these weak foundations.

Truth established on the basis of a single version is weak and can lead to the justification of reproachable actions.

The argument that some people excused themselves from testifying before the commission does not help to eliminate that weakness; the imposition of obligatory testimony would have violated the rights of those people and the moral authority granted to a short-lived commission could not have guaranteed that those who wanted to testify would not be exposed to terrorist attacks.

c. Illegal Administrative Conviction

The purpose of the commission, according to the government supreme decree which created it, was "to contribute to the overall clarification of the truth (...)," but in achieving that goal the commission would not be allowed to take over the jurisdictional functions of a court or interfere in pending court proceedings.

Therefore, the commission could not and should not have extended its functions to a prohibited jurisdiction because that area belongs to the courts established by law, with the purpose of clarifying events which may have been criminal acts and finding the people responsible for them.

This is why the commission's "convictions" exceed the framework of its authority and are sustained in any case on insufficient evidence to establish certainty, especially if we take into consideration that a just and impartial procedure was not followed in establishing that certainty.

As a result of the publicity given to the report, the personal and precarious "convictions" have actually become sentences for many people beyond the legal process, discrediting them before the public and exposing them to terrorist acts of vengeance.

d. Overall Contradiction

The report itself admits that the short time available to the commission, the extensive period needed for analysis, and the circumstances under which the events occurred were insurmountable obstacles to reaching conscientious conclusions on some accusations.

It is surprising, however, that these obstacles did not exist for the other conclusions reached by the report. The contradiction is obvious.

e. Invasion of Court Jurisdiction

At the time the report was made public, and also in some paragraphs of the report, the commission stated that it was not seeking to establish personal responsibility and acknowledged that only the courts can exercise this function.

In addition to providing a biased view of each event, however, the report does describe certain circumstances in such a way and gives them such credibility that, without naming any names, certain people are practically singled out as being responsible.

This attitude can be perceived throughout the report, confirming the considerable extent to which the commission has overstepped any legal powers it may have had. This invasion of jurisdiction undermines the standing of the constitutional branch which has the legitimate right to take action; that is, the judicial branch.

There is more, however: In proposing a legal procedure to declare a person presumably dead, the commission states that the courts should consider the inclusion of each person's name in the list of victims provided by the commission as sufficient evidence of the person's death.

f. Legitimate Use of Force

The report does not acknowledge the legitimate right to use force.

The military uprising was resorted to as the final solution when nothing more could be done toward establishing a political consensus. Due to its very nature, the legitimate use of force may disrupt the lives of the people or jeopardize their physical safety.

g. State of War

The ideological project of the Popular Unity [UP] was aimed at transforming Chilean society into a communist society. History has taught us that such a society can be attained only under a totalitarian system.

Fully aware that the implementation of its project would not be tolerated by most Chileans nor by the Armed Forces, and following the failure of all electoral mechanisms, the UP opted for civil war as the means of attaining total power, as proved by the attempts it has never bothered to deny to create a parallel and secret army with help from Cuba.

Thus, from the very first minute it took power, the UP firmly encouraged the establishment of armed groups made up of thousands of extremists trained for guerrilla warfare and equipped with heavy weapons which had been secretly brought into the country.

The nearly defenseless citizenry, plagued by the constantly growing anxiety over this state of civil war, was

being threatened daily by words and deeds, as was denounced especially by the majority of Chilean women.

The report avoids mentioning the "armed approach" as a method of political action implemented through the intolerable procedure of establishing what former President of the Nation Eduardo Frei Montalva appropriately described as a "veritable parallel army," assembled by the UP and pitted against opposing groups of civilians who tried to organize themselves to confront it.

Nor does the commission mention the key fact that the UP had systematically promoted hate among fellow countrymen. Its revolutionary objective called for various sectors of the Chilean population to become irreconcilable enemies, even if they happened to be neighbors, even if they worked at the same company or trade, and even if they were youths studying at the same lyceum, high school, or university.

The UP's last step toward the successful consummation of its totalitarian coup d'etat was an attempt to infiltrate and divide the Armed Forces and Carabineros by subjecting troops and commanders to extreme tension.

In other words, the UP had created the forces and set up the necessary scenario to execute its plans to spark a civil war which, in view of its circumstances and characteristics, would never be officially declared nor explicitly recognized.

The Armed Forces thwarted this plan.

Only through this action was it possible to control the revolutionary civil war in its early stages, preventing it from getting fully under way. The subversive war continued, however. Today some careless and misinformed observers claim that the Armed Forces and Carabineros took action against a domestic enemy which they see as being virtually helpless at the time.

They fail to note, however, that we managed to avert a long, bloody civil war due precisely to the timely, cohesive, and energetic action taken by the commanding officers of the national defense institutions in restoring order in our threatened fatherland. Thus, on 11 September 1973 we were simply responding to the calls of a large majority of the people.

It is not true that the country was brought under control in a few days; to ultimately control the state of war, it was necessary to undertake the lengthy task of neutralizing the possible reactionary capabilities of extremist paramilitary groups. It was not possible to accurately measure the degree of military training or the political and military firepower of these groups until they were defeated militarily.

The report overlooks, however, the subversive war situation existing during the period in analyzing the so-called human rights violations.

To any serious armed institution faced with a war situation, the only objective to be pursued should be total victory.

The report also fails to consider—in its full magnitude and projections—the danger of a war posed by armed terrorist groups, a potential or imminent danger throughout the 1973-1990 period.

The actions the commission includes as "human rights violations committed by individuals under political pretexts" were part of a strategy planned by major sectors of international Chilean Marxist organizations in an effort to retake the power they had lost in 1973. They were trying to achieve this by promoting social mobilizations, by trying to make the country ungovernable, or by resorting directly to a large store of weapons, the most visible examples of which were the arsenals in Carrizal Bajo and the attack on the president of the Republic in 1986.

h. Selective Criteria for Truth

The commission concentrates all its attention on the so-called human rights violations, as if they were the only factor of division among Chileans.

It has been said that human rights violations only took place in the period between 11 September 1973 and 11 March 1990, a period that coincides with the military government's term in office.

This coincidence has been aggravated by the attempt to create a biased "collective conscience" regarding the events that took place during the military government, which has seriously distorted the assessment of its work.

The Army does not agree to this thesis, much less the decision to exclude from the investigation the multiple and flagrant human rights violations committed in the years before 11 September 1973, as if there had been no subversive threat like the one the military government had to confront.

Without precluding the consideration of other situations, it is appropriate to recall the significant resolution issued by the Chamber of Deputies on 22 August 1973, which precisely specified the human rights that the Marxist regime was systematically and massively violating.

The mere fact that they were attempting to turn Chile into a communist society inevitably involved the violation of all human rights.

i. The Omitted Historical Truth

Not all the factors that divided Chilean society were considered. These factors are still far from being overcome.

In our country, the fratricidal confrontation began when the societal consensus was broken by the urge to impose,

without either significant concessions or negotiations, global theories on society and man.

The commission's report should not have omitted a detailed and critical evaluation of some features of the work by the governments between 1964 and 1973 which operated as violently divisive factors, especially under the government of the so-called UP.

The UP sponsored a major aggression against the institutional order of the Republic, against the country's socioeconomic and political system, against the identity of the fatherland, and against national security. All that posed a threat to peace and accord among Chileans and to all their guarantees and essential rights.

Consequently, the so-called human rights violations attributed to the 1973-1990 period are not the factors that caused conflict and division among Chileans. It is unacceptable to claim that total truth can be based only on those alleged human rights violations. It is also unacceptable to expect everyone to agree to that truth, under penalty of being charged of acting "in bad faith."

The real threat to the legitimate rights posed by the UP regime is not only an inescapable precedent to what happened after 11 September 1973; it was in itself a spiritual, material, and cultural evil of great magnitude and maximum danger to the superior and permanent tenets and principles of our nationality.

Such a situation cannot be addressed merely from the viewpoint of a historical judgment. Nor can it be overcome through vague self-criticism. Such a situation should have been given the same treatment accorded the alleged human rights violations attributed to the 1973-1990 period. This approach is essential, regardless of the military government and even if the military had not assumed power on 11 September 1973, if [words indistinct] in terms that it could be effectively shared by all Chileans.

j. Obstacles to Reconciliation

The aforementioned improprieties in the quest for truth are an obstacle to the reconciliation that is being sought.

Reconciliation entails acknowledging all the schisms and differences among Chileans. Since no one can deny—after all that has been said—that the alleged violations of human rights are not the only cause for these schisms and differences, no overall and lasting peace will be attained unless all the aforementioned disrupting factors are analyzed and judged.

Thus, reconciliation requires a proper and serious evaluation of the truth.

Reconciliation cannot be wielded as an argument to satisfy the positions and beliefs of only one of the sectors into which our society is divided.

For a meaningful portion of the nation that understood the epic action on 11 September 1973, the true "never again" must be uttered first by those who, through their various ideological experiments, have compelled the nation to react in legitimate defense when faced with openly illegal actions.

Chile should "never again" be subject to an attempt to implement a political project of the type and scope proposed by the UP. Otherwise it will be impossible to prevent situations to which the inherent characteristics of the legitimate use of force may lead or make it difficult to avoid.

3. The Army's Position Toward Specific Aspects

The following issues or concepts addressed by the report are contrary to basic values and principles of the Army, and some of them fall within the specific and exclusive jurisdiction of this institution.

a. Role of the Armed Forces and the Forces of Order

Contrary to how the report attempts to describe it during the period prior to 11 September 1973 and the ensuing period, the Army is basically apolitical because it is part of the Armed Forces and a permanent institution at the service of the fatherland.

Therefore, it does not undertake commitments to promote the objectives of certain political sectors.

To say that it has done so is a glaring attempt to undermine the role played by the nation's Armed Forces in the nation's history. The objective of this effort is to give the people a mistaken idea of the Army's mission.

Equally mistaken is the way in which the report links the national security concept under a totalitarian regime to the actions of the military government. This concept is a means toward the common good and should not be viewed as a "doctrine" or a foreign-inspired factor.

Therefore, the proposals made in this respect by that commission are rejected because they distort our historical reality and constitute an unacceptable accusation, especially because they presuppose a direct relationship between the Army and specific political sectors whose principles the Army allegedly supports.

b. Unacceptable Qualification of the Army

According to the Army planning system, as well as the planning of the other Armed Forces branches, continuous evaluations of situations take place. The conclusions of these evaluations determine the kind of specific action that the Armed Forces will take to fulfill their role. These actions include the necessary military training to adequately participate as an essential state branch in the task of working for society's well-being.

Therefore, the consideration of the Army solely as an "anticommunist element" because of its training to fight subversion is historically false and an unacceptable conceptual fallacy that seriously ignores the natural role of the military in an organized society. This concept, along

with the attempt to link the Army with a specific political sector, represents an obvious disqualifying attitude that is harmful to the national interest.

c. Armed Forces and Security Forces as Political Actors

Anyone analyzing the legality of the military government's performance must do it in just and truthful terms, setting aside the ideological visions of political sectors or individuals making the analysis. It is not true that legality was changed when it was occasionally convenient. It is not true that the independence of the judicial branch was not respected, as the report implies.

It is necessary to point out that the Armed Forces and Carabineros government introduced the necessary constitutional and legal amendments to carry out a process of national reconstruction; to ask the people's approval for a democratic institutional order; and to implement this new and approved order to consolidate a full democratic system in accordance with our commitment of 11 September 1973.

This institution, therefore, cannot share the false and biased judgments that were issued on these issues.

d. Alleged Internal Contradictions.

The Army has never admitted among its ranks secret groups or front organizations promoting political ideologies, or groups that influence decisions adopted by the institution's high command.

The Army, as a coparticipant in the military government, can emphatically state that what the commission said in this respect is an unspeakable deviation from the truth and an offense to the institution.

e. Legality of the State of War

The Army considers it essential that the state of war that was declared in Decree Law 5 be taken into consideration, not only because it established the Army's professional and appropriate presence as of 11 September 1973 but also because the courts did not ever question the legality of such a decree law, as is acknowledged by the report.

f. Assessment of the Executive Function

The Army perceives that the qualification given to the executive function during the military government is further evidence that the report has been influenced by the well-known position of people who will resort to any type of argument to denigrate the figure and image of the Army commander in chief for his performance as president.

The Army commander in chief made use of his prerogatives in government and administration with the support of all other state administration organs and with the important supervision of the National Comptrollers Office and the Constitutional Tribunal, which fulfilled a very important function.

g. Appraisals of War Courts [Consejos de Guerra]

The Army rejects the commission's appraisal of the war courts. The war courts were established and have acted in accordance with some modifications of the legal rules of 1839, when the Army General Order was released.

Furthermore, the Army expresses its concern over the authority taken by the commission in this field because it passed judgment on the bases or contents of resolutions made by the courts of the Republic, such as in the case of the resolutions made by the courts in times of war. This violates the Constitution.

h. Reparation for Alleged Responsibilities

The Army will not accept the responsibility for events which have not been proved, especially if the accusations go against its honorable tradition. The Army and its high command have never failed to assume their responsibility before the fatherland for the actions they have taken throughout its honorable history.

i. Lack of Logic in Vindication of the Alleged Dignity of Terrorist Groups

The Army does not share in the initiative to vindicate the armed people or groups which provoked a major part of the 1973 crisis and which continued their organized struggle against the Armed Forces and the police after that date. That would go against the truth and the objective evaluation of the administration of the military government.

Therefore, the Army rejects potential actions or initiatives aimed at vindicating people or groups who have been and continue to be negative factors in healthy coexistence among Chileans.

j. Recommendations on Military Service

Under no circumstances can the Army accept discrimination regarding the public obligations imposed by the Constitution on citizens, such as freeing some people from mandatory military service because they are direct relatives of victims of alleged human rights violations.

This initiative contradicts the conciliatory position declared by government officials. If that initiative takes effect, it would stand against an effective national unity by discriminating among Chilean youths in terms of their military responsibilities and constitutional obligations.

The mandatory military service is not only a public obligation but the right of every Chilean.

The implementation of that initiative would also give military men a negative image.

Furthermore, the Army considers the false accusation against military service absolutely unacceptable because it lacks any basis and comes from people who know nothing about life in the garrisons in theory or practice. Although the conscripts have strict requirements which are necessary for the overall formation of citizens—who

must be willing to give their lives for the fatherland if necessary—there is also a permanent incentive for solidarity, esprit de corps, friendship, and great loyalty.

There are no practices in the Army which harm the dignity of people.

On the contrary, the establishment and development of human relations in the garrisons foster many values and virtues that have been taught from generation to generation, such as the meaning of life, the dignity of people, and taking responsibility for one's actions.

Disregarding that reality represents a serious affront to the immaculate and honorable tradition of the Chilean Army.

k. Military Jurisdiction and Human Rights

The Army would like to note above all that the Military Code of Justice—the basis on which the military courts act—is a regulation that was established before the government of the Armed Forces and Carabineros.

Furthermore, the implementation of the code by the military courts has always been made in accordance with the rules established in that code. Sentences have always been made according to the law, and the resolutions of the courts have been made known and evaluated by the Court Martial and the Supreme Court through appeals.

The measures proposed in the report to once again change the jurisdiction of the military are considered inadvisable because those measures are not dictated by need but by unfounded criticism. Even worse, they raise doubts about the qualifications of military judges, whose performance has not drawn objection from their hierarchic superiors in the Court Martial or the Supreme Court.

It is obvious, considering that the Supreme Court directly exercises both correctional and economic oversight over the administration of military justice in peace time, that there is an effective guarantee of independence and impartiality in the special military courts of the judicial branch. Any wrongdoing or abuse in which any member of these special courts may have participated would have been punished by the highest court of justice.

Moreover, it is appropriate to point out that the penal military code provides appeal procedures for reviewing the decisions handed down by military courts, which represents a sufficient safeguard of due process.

l. The Army's Alleged Loss of Prestige

Throughout its history—and therefore throughout its tenure in government—the Army has strictly adhered to values, principles, and virtues that guide the practical exercise of the military calling in the performance of its duties.

The Army, in conjunction with the other Armed Forces services and Carabineros, had to intervene in 1973 to resolve the moral, institutional, economic, and social crisis that was engulfing the country. This action responded to the calls of citizens and to the confidence these institutions had gained among their countrymen throughout the history of Chile.

It is therefore unacceptable to try to compare, even indirectly, alleged criminal activities committed by individuals to actions that have historically been performed by the Army in the nation's life. It is even more unacceptable when the alleged crimes are based mostly on declarations by people who claim to have been affected.

The preceding also makes it clear that it is absolutely unnecessary to discuss measures, as is done in the report, to change a situation that is viewed through a biased outlook.

m. Supposed Gaps in Military Training

Contrary to what the report contends, the Army, in its studies program, considers all the elements necessary for the proper education of its members and their self-improvement in the different stages of their military career, systematically including courses in professional military ethics, civic education, legislation, and regulations in which special emphasis is given to the value of human life, the rights of people, and corresponding duties—all in the centennial tradition of our Army.

The Army curriculum also includes courses directly related to personal improvement, intellectual development, spiritual sensitivity, morals, and general education, with a solid ethical and Christian basis.

This is the case so much so that, as the result of such an all-around education and their calling to serve the country, the people in uniform are even ready to lay down their lives for the sake of the highest national interests and the benefit of their fellow countrymen.

Therefore, the addition of the suggested courses along this line of thinking is unnecessary and unacceptable.

Likewise, proposing the participation of other specialized professors or external organizations is absolutely unwarranted. The Army has a select group of professors, both military and civilian, who possess an extensive mastery of the teachings that they have to impart and whose moral and professional capabilities are subject to a continuous process of evaluation and qualification.

n. A Mistaken Concept of National Security

Unlike claims by its detractors, national security is not a doctrine designed to preserve the common good that has been used to justify violations of human rights. On the contrary, it is a component of the concept of the common good, and its ultimate goal is to help promote the common good.

Thus, the concept of national security can be debated, streamlined, and improved, but it is unacceptable that it should be given ideological overtones. The Army therefore rejects any biased claim that it has allegedly done so.

n. [soft letter n of the Spanish alphabet] A Mistaken Idea of the Intelligence Services

Military intelligence is one of the basic components of a military command. Along with personnel, operations, and logistics, military intelligence makes up the organization which gives commanding officers at all levels access to overall advisory services that allow them to efficiently carry out their duties.

Military intelligence activities are aimed at gathering information, especially about the ways and means in which potential threats to the nation could jeopardize the Army's fulfillment of its constitutional duties.

Therefore, the military institutions in general and the Army in particular do not have to redesign their intelligence services, which are organized in keeping with the requirements of the tasks they must carry out for the benefit of national security and defense.

o. Questioning of the Principle of Due Obedience

The Army categorically rejects the report's questioning of the principle of due obedience and of the training in this principle that the members of the Army receive.

This questioning has to be rejected because doubt is being cast on one of the basic elements of military life: discipline, an essential value that gives meaning to the system of command and obedience on which hinges the Army's efficient fulfillment of its lofty and irreplaceable mission.

p. Integration With Society

It is impossible to agree with the report's suggestion for a greater integration of members of the Armed Forces and Carabineros and their families with Chilean society because over the last few years their participation in the fields of action available to them through the Constitution and the law have increased.

We wish to emphasize the voluntary and committed social efforts for the benefit of low-income sectors that the wives of soldiers have carried out through the Cema-Chile [Chilean Mothers Centers] foundation, the foundation for day-care centers for children, the foundation for community assistance, and other similar organizations.

q. Doubts About the Army's Willingness To Cooperate

In light of reports by private individuals that the Army may have information on the possible whereabouts of people who are either missing or dead, this institution has stated repeatedly that it has no information of this kind.

Furthermore, just as the Army stated in pointing out its concerns over the activities of the commission, the armed institution has cooperated to the extent possible in keeping with the Constitution and the law. The background information that the Army has given the commission is all the Army has.

Therefore, the Army categorically rejects the doubts that have been cast about its willingness to cooperate as an institution and, even worse, the attempt that is being made to convince the people that this institution is concealing information that would be harmful to its interests and prestige.

r. On the Final Reflection of the Commission

An attempt is made in the final part of the report to link the contents of the report to the background stated in the introduction and to surround the arguments stated therein with a dramatic and emotional aura.

These arguments take for granted that a definitive truth has been established regarding alleged human rights violations between 11 September 1973 and 11 March 1990. This truth would provide those who feel they have been affected by these violations with grounds for suing for justice and reparations. It also establishes that incidents occurring prior to the beginning of the period under investigation cannot be used to argue justification.

The Army categorically rejects this attempt at interpreting the incidents under investigation without taking into account the historical reality that originated them.

III. Final Declaration

In light of the call by his excellency the president of the nation for reconciliation and the citizenry's aspirations in this regard, the Chilean Army reaffirms that it will always be an enthusiastic participant and a loyal partner in this endeavor.

Although the Army acknowledges the honest intentions behind this call and fully respects the high position and authority of the chief of state, it must state its basic disagreement with the report of the National Truth and Reconciliation Commission and deny that it has any historical or legal value for the many aforementioned reasons, which can be summarized as follows:

1. The Army, together with the other institutions of the Armed Forces and the Carabineros, was called upon to intervene in the country's most serious institutional crisis in this century, as the final resort against a serious threat to the very foundation of national coexistence and sovereignty.

These institutions carried out their mission to the letter. They defeated the totalitarian coup d'etat. They reconstructed and modernized the economy of the country. They reestablished social peace and democracy and returned the political leadership to the citizenry in a free and reconciled nation where people could coexist in an atmosphere of public and private security and peacefully

exercise their democratic rights. They have accomplished all this in a way in which the nation can feel proud of its domestic status quo before the international community.

The Chilean Army certainly does not see any reason to ask forgiveness for having participated in this patriotic endeavor.

2. A commission made up of citizens, including some who have for years displayed well-known ill feelings toward the Armed Forces and Carabineros and toward their government, is not sufficiently impartial to establish the truth regarding events submitted for its consideration when it involves passing judgment on the actions of men of arms.

The fact that this commission has based its rulings on unilateral testimonies and an incomplete study of circumstances taken out of the context within which they had come about lends strength to the concerns that the Army made public some time ago.

3. The Army rejects the political and partisan use of the report and the broad international coverage that it has been given since this could jeopardize basic aspects of the internal security and external defense of the nation.

4. The Army especially rejects the conclusion of this commission that the country was not in a state of war. This assertion is offensive to those Army men who have fallen during this war.

In any case, this conclusion shows that the commission's goal of exposing the Army to a kind of public trial clashes with the historical evidence concerning the context within which the Army had to act.

It is appropriate to mention the testimony of the current president of the Republic, His Excellency Patricio Aylwin Azocar, who on 19 October 1973 made the following statement to the newspaper "LA PRENSA":

"The truth is that the action by the Armed Forces and Carabineros was only a preventive measure that was enforced before a self-coup that would have attempted to install a communist dictatorship with the help of the government's armed militias—which had enormous power—and at least 10,000 foreigners who were in our country at that time."

Equally valuable testimony has been given by former President Eduardo Frei Montalva, who also referred to the atmosphere of internal war in a letter to Mariano Rumor, head of the World Union of Christian Democrats, on 8 November 1973. The letter said:

"As soon as the government assumed power, several thousands of representatives of the extreme left, the guerrillas, and the extreme left revolutionary movements of the Americas arrived in Chile (...) Men who were known in the continent for their guerrilla activities were immediately hired by the administration, but many of them devoted their time to paramilitary training, establishing guerrilla schools in national territory. Neither Carabineros nor Armed Forces representatives could enter those schools (...) A parallel army was actually created."

5. The Army deems it unacceptable that the report would propose to change or modify aspects that are of its own essential concern, especially taking into account that these proposals have been made by persons or agencies that have neither technical nor professional qualifications and are not empowered to refer to matters related to military science.

6. The Army cannot assume for itself the right to pardon those who inflicted casualties on it, because each member or friend of the affected family carries in his heart the recollection of the permanent danger, the treacherous attack of the aggressors, and the way in which his comrade, his father, her husband, or his child fell. High-ranking Army officers, however, can ask the relatives of those who fell while fulfilling their duty to personally express their own pardon as a contribution to genuine reconciliation.

7. The Army repudiates the campaign that has depicted it as the source of punishment or torture of innocent people.

It is true that there could have been unwanted and unforeseen situations in the dirty war unleashed by extremists. Yet it is also true that a well-known subversive tactic is to level charges of torture in a scandalous manner, as was done for example by the MIR [Movement of the Revolutionary Left] magazine "PUNTO FINAL" [Full Stop]. In its 13 August 1970 issue, this magazine carried a report against the security organizations of the government of His Excellency Eduardo Frei Montalva. The report, which was entitled "Crimes, Torture, and Human Rights Violations," was signed by some 100 leftist lawyers, who used many pages to refer to stories and testimonies on the alleged cruel and inhumane treatment of police prisoners. The words used in this report are similar to those used by the National Truth and Reconciliation Commission.

The Army also repudiates the fact that, instead of following procedures appropriate to a state of law, stories similar to those published by extremist rags have been used to unleash a smear campaign against it.

8. The Chilean Army solemnly declares that it will not agree to being put in the dock, in the eyes of the citizenry, for having preserved the freedom and sovereignty of the fatherland at the insistent request of civilians.

It will tolerate even less such an attempt in a situation in which the main people responsible for the tragedy, in their capacity as top UP leaders, are now among those who seek to act as moral judges of Army men.

9. The Chilean Army hereby reaffirms its decision to continue to fulfill its constitutional role of protecting the institutional order of the Republic and its sovereignty.

No propaganda campaign, much less a campaign that has been fed by and headed by some of the most visible promoters of the totalitarian uprising that was defeated on 11 September 1973, will succeed in driving the Army away from its mission. The Army is proud of having fulfilled its mission in the past and is ready to continue to fulfill it in the future.

Finally, the Chilean Army, after a deep analysis of the report by the National Truth and Reconciliation Commission, the conclusions of which were outlined in this statement, hereby states that this is the institution's official and final opinion on the subject.

Government for Reparations

PY2903123891 Santiago Radio Cooperativa Network in Spanish 2300 GMT 27 Mar 91

[Osvaldo Campos relay from Valparaiso]

[Excerpt] We must admit that Chilean society is indebted to the victims of human rights violations and of political violence. Reparations will be a real and appropriate contribution to the spirit of truth and reconciliation which motivates us.

These are the final words of the message that President Patricio Aylwin has submitted to Congress along with a draft bill that orders reparations for the relatives of the victims of human rights violations listed in the Rettig report.

The objective of the bill, which was submited to Congress today, is to repair the moral and material damage caused to the relatives.

The bill proposes to grant a single reparation pension to the surviving spouse, mother of natural children, and children under 25 of the victims of human rights violations. In addition, the bill also proposes the payment of a compensation bonus equivalent to 12 months of pension; that is, 1.2 million pesos. [passage omitted]

Carabineros Reports Proposals

PY2803214691 Santiago Television Nacional de Chile Network in Spanish 1800 GMT 28 Mar 91

[Text] The Carabineros organization has reported on the proposals it presented yesterday to the National Security Council, in which the Carabineros stated that the Truth and Reconciliation Commission report is a serious but incomplete effort. In an 18-page statement, the Carabineros summarized the most probable consequences of the Rettig report on the police sector and noted that the institution flatly refuses to acknowledge any insinuation based on the isolated attitude of one of its members or the influence it may have on the entire institution.

The document also comments on the recommendations made by the Truth and Reconciliation Commission regarding police operations, as these recommendations act to curb the independence of the police corps and may even result in a refusal by the Carabineros organization to fulfill its duties, thereby causing serious harm to the entire Chilean society.

The document concludes by stating that the Carabineros will comply with President Aylwin's call for unity among Chileans. This unity, the Carabineros organization states, must be based on mutual respect and on an awareness of each person's responsibilities.

Security Council Communique

PY2803185491 Santiago Radio Nacional de Chile Network in Spanish 1100 GMT 28 Mar 91

[Text] The Army and Navy commanders in chief and the Carabineros director voiced their opinions on the Truth and Reconciliation Commission report at President Aylwin's request, while the Air Force commander did not add anything to the official Air Force statement, which has already been released to the public. This was reported at the end of the Security Council meeting.

The regulations empower the president to call a Security Council meeting to discuss any issue linked to national security. The Security Council has 14 members, and journalists and citizens around La Moneda Palace showed interest in their presence there. Patricio Aylwin, the Senate and Supreme Court chairmen, the defense minister, the Armed Forces commanders, the Carabineros director, and the foreign, finance, interior, and economy ministers met for one hour and 35 minutes.

At the end of the meeting, Security Council Secretary Major General Luis Henriquez Riffo read the official communique containing the two [as heard] points that were analyzed during the meeting.

[Begin Henriquez Riffo recording] First was the creation of a technical commission that will be in charge of briefing the Security Council in April on the bill governing the entry of foreign troops into Chilean territory as well as the deployment of local troops.

Second, the Army and Navy commanders and the Carabineros director, at the president of the Republic's request, read and delivered documents with their positions on the results of the Truth and Reconciliation Commission report. These documents will be included in the Security Council minutes.

The Air Force commander did not add anything to the Air Force document, which has already been released to the public and will be included in the minutes.

The Senate president also delivered the text of the Senate declaration made public on 5 March 1991; it will also be included in the minutes.

Third, it was established that the commanders will be able to make public the opinions noted during the Security Council meeting. [end recording]

None of the Security Council members made statements. Finance Minister Alejandro Foxley was the first to leave La Moneda Palace. Navy Commander Jorge Martinez Busch said that a joint communique will be issued.

Henriquez Riffo stressed that the meeting was held in a normal, tensionless atmosphere.

Government Closes Debate

PY2903115891 Santiago Radio Chilena Network in Spanish 1700 GMT 28 Mar 91

[By Nelson Oteiza from La Moneda Palace]

[Text] The government has declared the debate on the Truth and Reconciliation Commission report closed. When he reported on the results of the cabinet meeting headed by President Patricio Aylwin at the government house today, Government Secretary General Enrique Correa said that the government reiterated that the contents of the report are incontrovertibly truthful.

During the meeting, the reactions to and opinions on the Rettig report, especially that of the Armed Forces and Carabineros, have been analyzed. Secretary General Correa has said that the veracity of the events reported by the commission is unquestionable.

[Begin Correa recording] We believe that the debate on the Rettig report has reached an end and that each person must now do his or her duty. Naturally, we would all to like see each citizen admit his or her level of responsibility for the tragedy that we have experienced, but this depends on each person's sense of responsibility. [end recording]

Correa asserted that confrontations and the custom of resorting to force and warlike solutions have ended in Chile today and that from now on they will nothing but nostalgic recollections. The government will continue to firmly and serenely administer a country that is living in peace and has turned its back on confrontation, he said.

The Army and Navy opinions on the Rettig report absolutely do not affect the economic and political stability of the country, he said. Asked whether these institutions commented on the report from the political point of view, he said that they expressed their opinions during a meeting of the National Security Council, which is the constitutional framework within which such comments should be made.

Concluding, Correa pointed out that these two branches of the Armed Forces commented separately on the Truth and Reconciliation Commission report.

Navy Commander's Statement

PY2903005091 Santiago Radio Nacional de Chile Network in Spanish 1100 GMT 28 Mar 91

[Passages within quotation marks are recorded]

[Text] Navy Commander Admiral Jorge Martinez Busch has said that an atmosphere of rapprochement in support of the great interests of the country prevailed during the Security Council meeting. He stated his opinion that national unity begins with a frank understanding of the viewpoints over which there are disagreements. He added that frankness in expressing these viewpoints is synonymous with better understanding and that, more importantly, it demonstrates the will toward a joint effort to achieve national unity.

He said that he was highly impressed with the Security Council, which is part of a modern and excellent constitutional system. Earlier he read important portions of the Navy's assessment of the Truth and Reconciliation Commission report.

The Navy document states that the Rettig report contains several opinions and omissions that make it difficult to agree with its conclusions and recommendations. Martinez Busch stated, however, that the fact that the Navy is complying with its duties is the best guarantee that a consensus is emerging.

He also stressed the exceptional situation that existed from 1970 to 1973 and statements by institutions that the state of law had been violated.

[Martinez Busch] "We have only outlined the time frame when these actions occurred because they were covered in detail in the full document which has been submitted. This document reveals that the Armed Forces' participation in the events that began on 12 September 1973 was the result of the serious situation affecting the country.

"This situation was even denounced by the Permanent Committee of the Episcopal Conference in its document released in July 1973 entitled 'Chile's Peace Has a Price.' The atmosphere of violence and confrontation involving thousands of subversives of various nationalities who had entered Chile forced the Armed Forces to take action. Those incidents revealed the continuing human rights violations that were taking place against the Chilean people, who did not agree to join the violence. Since it has been decided to make an objective analysis of a series of events and the facts that directly or indirectly affected them, these events must be included in the historical analysis of that period."

The Navy document states that the subversive actions must also be mentioned because they were a clear violation of the human rights of the entire Chilean people. It notes that doubting the decisions of the courts is a serious issue, as is the Rettig report's disqualification of the Supreme Court interpretation of the 1978 Amnesty Law and its decision to overlook the fact that

the country was then facing an internal war. The Navy document states that, in interpreting court decisions, the Rettig report goes beyond the authority bestowed upon it by the decree that created it. The Navy commented on the convictions expressed by the report as follows:

[Martinez Busch] "Regarding the theories used as the basis for the Truth and Reconciliation Commission's work and convictions, the report fails to comply with the minimum requirements of any formal or informal process aimed at creating true certainties that would lead to the unquestionable truth about facts. The report clearly states that many persons who may have reported on facts explaining some of the events being investigated did not want to do it. It also states that there was no cross-examination of the voluntary witnesses, which makes it impossible to establish the veracity of the testimony and thorough clarifications.

"Under these circumstances, much of the testimony was probably inspired by political motives or personal vendettas, which makes the aforementioned omissions and the lack of the necessary bilateral points of view even more crucial. The failure to employ a serious and unbiased method of investigation and the comments, decisions, and conclusions reached by the commission so distort the process that the convictions or truths expressed in the report are nothing but opinions that can be agreed with or rejected."

In its statement the Navy also rejects the report's call for compensation, saying this would be a foolish and offensive way of dealing with established concepts and rules such as security, intelligence, due obedience, and others. Adm. Martinez Busch concluded by saying that there is no doubt that no price can be placed on a human life and that, in its devotion to serve the fatherland, the Navy demonstrates that it shares this belief.

[Martinez Busch] "In this historical perspective, it is absurd and senseless to assert that the events that took place in Chile were a result of the 1973 military coup and that the Armed Forces were responsible for them. The truth is that the Armed Forces only acted after the great majority of the Chilean people asked them to put an end to the crisis the country was facing after the collapse of the national institutions, which was caused mainly by the actions of violent extremists who sought total power through armed actions."

Adm. Martinez Busch said the Navy supports President Aylwin's call for reconciliation among Chileans because it believes that this reconciliation is vital, as is the 1978 Amnesty Law, for the thorough consolidation of national unity.

Army Deputy for Reconciliation

PY2903123291 Santiago Television Nacional de Chile Network in Spanish 0000 GMT 29 Mar 91

[Text] Army Deputy Chief General Jorge Lucar said today that the Army hopes that the country will receive the Army response to the Rettig report with reflection and a desire for reconciliation.

[Begin recording] [Reporter] Does the Army consider the Rettig Report a closed case after General Pinochet read the Army response last night?

[Lucar] [Words indistinct] that is the final Army declaration.

[Reporter] How do you expect the government to receive the Army response?

[Lucar] [Words indistinct].

[Reporter] What does the Army expect from the government and the people after releasing its response?

[Lucar] The Army expects reflection and a view toward reconciliation which advocated the Army response. [end recording]

Gen. Lucar made these comments after heading the ceremony of handing over the daggers at the Army noncommissioned officers school.

Retired Generals Critical

PY2903130891 Santiago Radio Nacional de Chile Network in Spanish 1100 GMT 28 Mar 91

[Text] The Chilean Air Force [FACh] retired generals corps has stated that the Armed Forces' intervention in national life on 11 September 1973 must be considered an extreme resourse that would undoubtedly cause serious consequences.

The generals made these comments in a communique containing the opinion of the FACh retired generals corps on the Truth and Reconciliation Commission report. The communique states that the report's scanty references to the historical context of the 1973 coup do not clearly explain the reasons that led the Armed Forces to take power. The short summary of these events consists of a mere 3.4 percent of the overall six-volume text and gives an incomplete idea of the situation prevailing then, the retired generals state.

In the communique, the generals mention some events that they deem relevant to understanding the reality experienced then. They mention the national deficit of $438 million, the complete loss of foreign currency during the Popular Unity administration, and the progressive polarization and intransigency of civilian political sectors that began in the 1960's and climaxed during the Popular Unity administration. The text adds that these facts resulted in the atmosphere of violence, hatred, discredit, and confrontation that reigned in the coutnry.

The FACh retired generals' communique indicates that it is incorrect to put all the blame on those who were asked to put an end to this situation and rebuild the country from the ruins that covered it. The communique adds that the human rights issue only became important

in the country after 1973 when, for selfish reasons, several sectors began to use it as a banner. The communique asserts that it is fitting to investigate the use of force and its consequences, but only in accordance with the context in which it is used and not from the points of view prevailing in normal times.

The FACh generals concluded by calling for true reconciliation among Chileans and by hoping that this reconciliation will be achieved through the use of an objective and complete truth that leaves no space for erroneous interpretations.

Colombia

Church Sets Deadline for Initiating Peace Talks

PA2903035191 Bogota Radio Cadena Nacional in Spanish 1200 GMT 27 Mar 91

[Text] Colombian Episcopal Conference President Monsignor Pedro Rubiano Saenz, told Radio Cadena Nacional that the Colombian Church is allowing no more than 40 days for the government and the Simon Bolivar Guerrilla Coordinating Board to open peace talks; otherwise, the church will withdraw its offer to mediate the talks. Msgr. Rubiano suggested that the talks should take place in a neighboring country to ensure that they are neutral and devoid of pressures.

The Colombian prelate said that the Colombian Episcopal Conference Commission has not yet established contact with the Revolutionary Armed Forces of Colombia, FARC, or the National Liberation Army, ELN, delegates. Msgr. Rubiano Saenz said it made little sense to indefinitely delay the dialogue between the government and the insurgent groups, because this could lead to false expectations.

Authorities Arrest Head of ELN Finances

PA2803200191 Bogota Radio Cadena Nacional in Spanish 1216 GMT 23 Mar 91

[Text] Bogota—The ELN [National Liberation Army] and the Medellin and Cali cartels have their own people in charge of handling property and finances, General Manuel Sanmiguel Buenaventura, commander of the 2d Army Division, said when he reported the capture of Gerardo Omar Gutierrez, who is in charge of ELN finances, in Bucaramanga.

The general told this radio station that a heavy blow was dealt the subversive organization with this arrest, but that this does not entail the group's definitive dismantling. Gutierrez had been instructed to negotiate the ransom of several people kidnaped in the country's east, the officer said. At the time Gutierrez was arrested authorities seized firearms, extortion letters, accounting papers of enterprises, and sketches of important places in Santander that would shortly be attacked by the ELN.

Correction to CNG Announces Easter Truce

PA2903141491

The following correction pertains to the item headlined "CNG Announces Truce for Week Following Easter," published in the 28 March Latin America DAILY REPORT, page 27:

Make headline read: Guerrillas Announce Truce for Holy Week (rewording)

Column one, first paragraph, only sentence make read: ...armed action during Holy Week, the bishop of... (rewording)

Same column, paragraph two, last sentence, to paragraph three, first sentence, make read: ...cease hostilities during Holy Week. [new paragraph]

In the letter... (rewording)

Guyana

Agreement Signed To Reschedule U.S. Debt

FL2803191591 Bridgetown CANA in English 1849 GMT 28 Mar 91

[Text] Georgetown, Guyana, March 28, CANA—The United States on Thursday signed an agreement with the government here to reschedule some U.S. 22 million dollars of Guyana's American debt. The rescheduling is part of Washington's contribution to Guyana's formal economic recovery programme, which is being monitored by the World Bank and the International Monetary Fund (IMF).

Guyana's Finance Minister Carl Greenidge and charge d'affaires of the U.S. Embassy here Dennis Hays signed the agreement formalising the debt forgiveness. A joint statement afterward said that Washington was consolidating its rescheduling programme for Guyana and that was conditional on Guyana having an appropriate programme with the IMF.

"In the agreement, Guyana agrees to repay the consolidated debt and the consolidated arrears at U.S. dollars 1 million each, commencing in May 2006 and ending on November 15, 2016," the joint statement said. [years as received]

In brief remarks, Greenidge said that Guyana would soon conclude similar agreements with France, the United Kingdom, and (the former West) Germany. Debt resheduling has already been concluded with Norway, Denmark, and Canada.

Washington's latest action allows Guyana to once again qualify for funds from the U.S. Agency for International Development (USAID) programme, after a lapse of more than ten years. The U.S. is one of several North American and European countries which comprise the support group behind Guyana's economic recovery programme.

Suriname

Bouterse, Brunswijk Swear Oath for Peace Forever

PM2803160291 Rotterdam NRC HANDELSBLAD in Dutch 25 Mar 91 p 3

[Unattributed report: "Bouterse and Brunswijk Promise an End to Fighting"]

[Text] Paramaribo, 25 Mar—The hostilities between the Surinamese Army and Ronnie Brunswijk's Jungle Commando have been "ended forever." This solemn promise was made on Saturday [23 March] by Brunswijk and Army Commander Desi Bouterse by taking a "sweri," an oath.

The "sweri" was taken at Drietabbetje, a river island in eastern Suriname, and was confirmed on Sunday at a shrine of the Aucaner Maroons on the Marowijne river. According to Bouterse, this means that "an important milestone has been reached in the peace process." Brunswijk said that he has now "been given a 100-percent assurance that the fighting has ended." The conflict between the rebels of the Jungle Commando and the National Army began in 1986 and caused hundreds of deaths, particularly among the Maroon population.

The army commander also put proposals to the Jungle Commando for projects to initiate economic development in the interior of the country. These include proposals for an improved approach to gold mining and timber felling areas in the interior. The future of the members of the Jungle Commando was also discussed. Bouterse said that they "would of course have to surrender their weapons." He wants to involve them in the economic development of the interior. Some of them will be given special assignments in the Army and police.

According to Bouterse, the meeting at Drietabbetje took place at the urging of the great chief of the Aucaners, Matodja Gazon. The commander said that at future meetings arms will not be carried. At an earlier meeting between Bouterse and the leader of the Jungle Commando in Paramaribo last year the military shot two of Brunswijk's bodyguards dead. Brunswijk himself was arrested by the military police on suspicion of drug trafficking, but was released a short time later.